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ARTICLE
MANAGING YOURSELF

Are You Suited for a Start-up?

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BY JEFFREY BUSSGANG

ARE YOU SUITED FOR A START-UP?

When I finished business school, I had two job offers. The first was from the Boston Consulting Group, where I'd worked before my MBA program—the obvious choice for a young professional in search of a stable, lucrative career. The second was from a Series A–stage venture-backed start-up with only 30 employees that wanted to transform the internet into a secure business environment—a much riskier bet. I accepted the second offer and never looked back.

In the years since, I've worked for three start-ups and, as a venture capitalist, invested in more than a hundred. I've learned a lot not just about how to *found* a company—raising money, finding initial customers, hiring a team—but also about what it takes to *join* a start-up and help build it into a large, successful organization. Joiners are employees number two to 2,000 who work alongside founders to develop their ideas into real businesses.

Making this leap is rarely easy. Relative to established organizations, start-ups can be hard to figure out. What are the jobs to be done? The best entry points? How can you tell whether a company has potential for success and is the right fit for you?

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Start-ups have no clear hierarchies or paths to advancement. But from their embryonic stages through more-mature ones, they need good managers to create and effectively run departments such as marketing, product development, and sales. And one can accrue numerous personal and professional rewards working for these young organizations. In nearly every interview I've conducted with start-up joiners, they have emphasized how much they value the autonomy, creativity, and growth they experience in their jobs—all elements critical to fulfillment.

So it's important for those in business—from newly minted MBAs and junior executives to seasoned leaders—to better understand how these companies operate, to envision how they themselves might contribute, and, if the situation feels right, to make the leap.

ASSESSING YOUR FIT

To work at a start-up, you'll need to do three things you might not have learned in school or in jobs at larger companies: manage uncertainty, push the limits, and think like an owner.

Manage uncertainty. Start-ups represent giant experiments. Every initiative is new. One hypothesis after another is being tested. Titles, functional boundaries, roles, and responsibilities are often fluid. The team works as one, inventing, creating, moving toward shifting goals—all while working without a playbook. Given this organizational dynamism, which continues even through the later stages, anyone working for a start-up has to be comfortable with large doses of ambiguity and uncertainty.

Push the limits. My father was an entrepreneur, and I remember that whenever he was confronted with an obstacle—having to stand in a long line at a popular museum, for example—he would look for a way around it, not by cutting in line but by testing assumptions. "Can't we design a more efficient system?" he would ask. "How can we get around this obstacle and speed things up?" This tendency to actively question rather than passively settle is key to success at a start-up. If you want to work for one, you should be the sort of person who's always looking to solve a problem, make the solution more efficient, make it repeatable, and keep iterating from there.

START-UPS REPRESENT GIANT EXPERIMENTS. EVERY INITIATIVE IS NEW. SO ANYONE WORKING FOR ONE HAS TO BE COMFORTABLE WITH LARGE DOSES OF AMBIGUITY AND UNCERTAINTY.

Think like an owner. Working at a start-up, you're expected to become emotionally invested. The sense of mission and adventure is greater than at a traditional organization, and your efforts are clearly and directly linked to the value and success of the enterprise. You must therefore be someone who can care deeply about not just your own work but all aspects of your company. My dad's measure of employee commitment involved a hypothetical staple on the rug near the front desk of his company: He wanted people who, no matter their position, would stop, pick up the staple, and throw it out. At a big company you might walk past thinking, *Someone else—the cleaners—will get it.* But not at a start-up. In an entrepreneurial organization everyone must think like an owner, always asking, "What can I personally do to make this place even more awesome?"

PICKING THE RIGHT COMPANY

If you feel that you're right for a start-up, you next have to choose the right company for you. My advice is to approach this important decision methodically, in four steps.

Pick a domain. First, find a field you're passionate about. This means asking yourself a series of questions: "Do I prefer a business that focuses on consumers or on businesses? What kind of customers would I like to serve? Which brands do I admire the most? What are my favorite websites, apps, or subjects to read about?" These questions can force you to think very tangibly. For example, if TripAdvisor is your favorite app, you clearly love to travel and should perhaps look for a start-up in that sector. When you're reading a newspaper, a website, or a magazine, which stories do you read immediately and thoroughly? If you tend to skip past headlines about, say, the media business, you shouldn't join a new online video service. If you dive into stories about autonomous vehicles or virtual and augmented reality because you find the subjects intellectually stimulating, narrow your focus to those domains. I suggest

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limiting yourself to three areas; otherwise your search will become too broad.

Pick a city. Not everyone can relocate anywhere for work. But for those who do have that flexibility, I recommend thinking very carefully about where you'd like to live. If you're not currently based in an entrepreneurial hub such as Silicon Valley, New York, Boston, Los Angeles, Tel Aviv, or Berlin, you should consider moving to one—not only for the job you are about to take, but to position yourself for the next several jobs, since start-up life can be fluid and unpredictable. These hubs are tight communities, often clusters of local universities, established technology companies, venture capitalists, and successful entrepreneurs. Each has its own pros and cons, quirks, and vibe. For example, L.A. blends media, entertainment, and technology while offering the benefits of the beach and an active lifestyle. Boston is the world's best intersection of health care and information technology and represents a more professional environment. Tel Aviv is the cybersecurity capital of the world and crackles with raw energy. Figure out in which place you'd like to settle and build relationships. Once people choose a start-up community, they tend to stay. Your coworkers in one company could become your cofounders in another.

Pick a stage. When describing the various stages of a start-up, I often use a road-building metaphor. In the *jungle* stage you have no idea where the paths are. You're surrounded by a tangled mess; you grab a machete and hack away. Many use the term "preproduct/market fit" to characterize this nascent period. In the *dirt road* stage the path is bumpy and winding, but it's there, and the goal is to move down it as quickly as possible. You've developed a well-defined product and are pursuing a clear market. You're starting to figure out your business model and addressing the early challenges of growth. In the *highway* stage you're speeding down a straight open road. You're improving operations incrementally while executing, scaling up, and iterating. If you are a risk-taker and a figure-it-out person, the jungle phase is for you. You should focus your search on seed-stage or Series A–funded companies. If you're someone who enjoys building systems, look for businesses in later funding rounds. If you're an improver and operator who wants slightly more stability and a higher salary, a highway-stage company—perhaps just before or just after an IPO—is the right choice.

Pick a winner. This step—choosing a company that you think will be a huge success and therefore provide you with tremendous growth opportunities—is the hardest to get right. Even the most brilliant and experienced investors in the world are wrong more than half the time, and whereas they have the benefit of holding a portfolio of companies, you get to pick only one to work for. How can an outsider identify the likely winners in a given domain, market, and stage? One way is to ask a handful of insiders. Find the top three VCs, angels, start-up lawyers, and headhunters in your target geography and ask them to name the three hottest start-ups in your chosen domain and stage. Pressure-test the companies on their combined lists by looking for more evidence of success and momentum. Do your own due diligence, using the simple criteria that we venture capitalists employ:

• *Team.* Is the founding team compelling? Can its members articulate a vision that inspires you and others around them? Are they of high integrity? Would you want to work with them again in their next company?

• *Market.* Is the market in which the company is operating huge—that is, greater than $1 billion in revenue potential? Is it experiencing some kind of disruption that might lead to opportunity for a new entrant? How crowded is the market, and does this start-up have a sustainable advantage over the competition?

• *Business model.* Are the unit economics—the ratio of net revenue to costs for each customer or product unit—attractive? Can the company articulate and compare the lifetime value and acquisition cost of each customer? Does its business model include network effects—that is, will value grow as the network of users does? If the company already has customers, do they appear loyal and provide growth potential, or are they churning out?

Discuss these issues with the advisers from whom you solicited recommendations and with others who have experience across multiple start-ups and whose

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judgment you trust. If you're in touch with the founders or current leaders of the companies you're considering, ask them these questions directly. And develop your own point of view according to what you see in the marketplace.

These four steps—picking a domain, a city, a stage, and potential winners—will generally produce a short, targeted list on which to focus.

SELLING YOURSELF

The next challenge is to position yourself so that the start-ups on your list want to hire you. You'll need to do two things well:

Arrange a warm introduction. Many start-ups are full of people with large social networks. It is your job to identify key players at the companies you're interested in and find ways to connect with them. Websites such as Crunchbase and Mattermark list valuable information about start-ups, including their key executives. LinkedIn searches can help you find other employees. Then look for mutual connections, or friends of friends, who might put you in touch with these people. Through those various networks and databases you should be able to identify an "in." Ask the contacts you've found not just for an introduction but for some endorsement based on what you've told them about your enthusiasm, experience, or other assets. That sort of inquiry trumps a cold voicemail every time.

VC and angel investors are also a great channel. They are often happy to pass along the résumé of a qualified manager who could be an asset to one of their portfolio companies. In general, the start-up community is incredibly generous with its time, and it has such a strong "pay it forward" culture that with tenacity you can get to almost anyone. In fact, I recommend that you aim high. List 10 people with whom you'd most like to have 30 minutes of face-to-face networking. Then go after them—without stalking or being a noodge. Even if it turns out the job fit isn't right, meetings like this will help you establish relationships and will lead to more valuable connections.

Articulate how you can contribute. Start-ups run lean, so they're willing to take on only those people who can drive their success and have a point of view on their business. Before meeting with management, do your homework. Read everything you can online. Talk to a couple of friends or colleagues who are customers. Try the product or service yourself and analyze the business model; then develop ideas for improvements and present them in your meeting or interview. If you're a designer, you might recommend tweaks to make the product more attractive. If you're a marketer, you might suggest a new campaign or message. If you're in finance, you might distill a few of the company's key performance indicators into a mock chart to be used as part of a monthly review.

THE START-UP COMMUNITY IS INCREDIBLY GENEROUS WITH ITS TIME. WITH TENACITY YOU CAN GET TO ALMOST ANYONE.

In addition to pitching yourself, remember to engage your interviewers in content-rich conversation about *their* work. Almost all start-up CEOs and executives blog or are on social media, so begin by commenting on their tweets or LinkedIn posts. If you've attended conferences, company open houses, meetups, or other industry events where they've presented, ask about the issues they covered. Show that one of your contributions will be to constantly listen and learn.

Finally—and this is something few people do well—*come bearing gifts.* Yes, you're the one looking for a job. But you can flip the relationship by immediately offering help—expertise, advice, contacts—with no expectation of reciprocity. Ask, "How can I help? What are you challenged with?" Perhaps the company needs a designer and you know a great one. Make the connection, and suddenly you'll be perceived as someone who is already adding value.

MAKING THE LEAP

After Erin Warren earned her MBA at Babson College, she followed the traditional path by taking an entry-level marketing job at a big company. But within five years she was restless. When the company offered her a promotion that would require relocating, she balked and decided to make a change.

Although Warren didn't know anything about start-ups and, as the mother of young children, was anxious about taking on too much risk, she was not reluctant to work hard or navigate twists and turns. (She had been a member of two U.S. Olympic luge teams, after all.) She was passionate about a few new online services that had a double-bottom-line orientation, including the college savings loyalty program Upromise, which she'd used herself. When she learned that the company was looking to hire a director of member acquisition at its Boston headquarters, she was excited: The sector, role, and city all matched her target.

Warren networked through friends and recruiters, persuaded a contact who was friendly with the chief marketing officer to advocate for her, and secured an interview. Then, rather than come to the meeting empty-handed, she brought specific suggestions for making the marketing message more playful and improving the user experience. Her enthusiasm and engagement matched those of the earliest employees. By the end of the interview she had the job. A few years after the company was acquired by Sallie Mae, she moved on to become the CMO at another start-up.

Not every entry to and ascension in the start-up world is as smooth as Warren's. But if you make the leap in a strategic way—assessing your fit, picking the right company, and effectively selling yourself—you'll be rewarded with a type of personal and professional fulfillment that's increasingly hard to find in big, traditional organizations.

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