# Seeking advice in startups

How to find the right advisors in wicked environments

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"Learn from the mistakes of others. You can't live long enough to make them all yourselves."

This is an alleged quote by Chanakya, a counsellor and advisor to Chandragupta, the founder of the Mauryan empire. The quote and variants of it have attained proverbial stature on the internet. This quote, in my opinion, lays the foundation for a function that is as old as human beings on this planet - advisory. It's the process where one listens to another when he or she has to make a decision. In this post, I will share a simple framework that I use these days to seek advice as a startup founder. I believe this can be extended to advisory in other wicked environments as well.

### Wicked vs Kind environments

I came across the notion of wicked environment in David Epstein's book <u>Range</u> in which the author argues that individuals with multi-disciplinary exposure (or generalists) are likely to be more creative and eventually

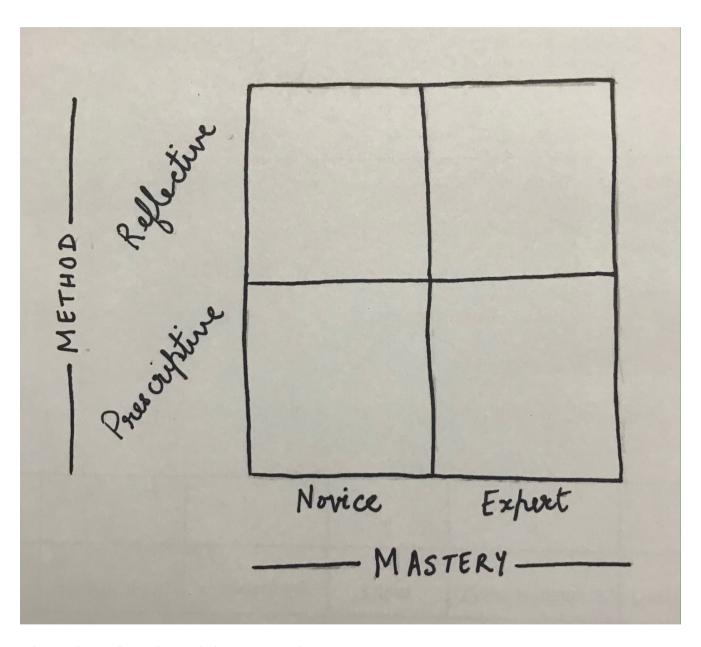
more successful in their pursuits. He builds this premise in the context of wicked environments, a concept defined by psychologist Robin Hogarth. Wicked environments are ones where not all information is available when you have to make a decision. You can think of these as games with infinite number of possibilities. They are usually dynamic situations that involve other people, where feedback is not easily interpretable and could even be inaccurate.

On the other hand kind environments are situations where all the information is available to you as a player. Kind environments are also characterised by repeated patterns and limited rules. All of this makes it easier for a person to navigate through a kind environment easily. An example for kind environment would be chess, a game with a limited set of rules and possible outcomes at every step.

Most of the situation that we deal in our life happen to be on the other end of the spectrum - the wicked environment. And one of the wickedest game would be building a startup. Startups are vulnerable to many different threats - conflict between co-founders, the inability to understand and cater to customer needs, the competitive landscape that corners you to knee-jerk reactive decisions. The unknowns are just too many and the chance of success is empirically found to be very low. It is in this context that I would like to present a thought on how to seek advice. To improve your odds of winning in a wicked environment.

# **Choosing your Advisor**

I understand that a framework to choose advisors in a wicked environment can be a interpreted as a tall claim. I believe it's a science as much as it is an art and let me try to explain the thesis with the help of a quadrant diagram.



The "choosing the advisor" quadrants

I've tried to put together two important axis for you to consider when looking for your advisor in a wicked environment.

#### **Mastery**

Mastery refers to the expertise and credibility that an advisor has in a specific subject or area where you need advice. For simplicity, you can think of advisors ranging from novices to experts in this regard. My first recommendation to anyone seeking advisory is to do your homework in this regard and be sure to go for an advisor who knows what he or she is talking about. Getting this wrong can be worse than not having an advisor since you are likely to be misled in your endeavours and you also waste time engaging with an advisor - time that could've been used in other ways, at least reading on the Internet and learning more about the subject.

So two things I want you to take home from this:

- 1. Be clear about the subject or area where you need advisory. Eg. I want an advisor who can advice me on hiring the leadership team.
- 2. Ensure that you engage with advisors who have mastery in the specific subject. It's possible that most of the experts have gone through these experiences themselves or have had the opportunity to see others do it up close.

And trust me, this is the easier axis to deal with.

#### **Method**

Now let's talk about the second axis. By method, I'm referring to the primary technique or system that an

advisor uses to advice. At a very high level there are two basic methods I've observed in advisory:

## **Prescriptive**

This is a method of advisory where the advisor tends to prescribe solutions to your problem. Your take-aways from these meetings translate into a to-do list for you to work on. This method of advising works well in environments that are not very wicked or where it doesn't make sense for you to garner expertise yourself. For eg. when a credible doctor prescribes you medicines for a common cold, you can follow the instructions and try to do a good job at it. The problem environment is unlikely to be wicked since a million others would've gotten cured from following a treatment that is very similar to what you've been prescribed. Adding to that, it might not make sense for you to set out on a mission to understand the infection like how the doctor does since it could take you a long time. So prescriptions work well in kind or partly-kind partlywicked environments. However, this method of advisory can be a challenge in ultra-wicked environments. Let me give you two reasons to explain why.

First, human beings put their best foot forward in a mission when they are able to feel a sense of ownership in the cause. Prescriptions tend to make it hard for an entrepreneur to own the actions since it's after all a prescription which her intuition has not developed enough to appreciate completely. When she goes through a similar

experience or when she reads more about it, she understands it better but prescriptive advice that's not hinged on any of these can be hard to own.

The second reason is to do with the validity of prescriptions themselves in wicked environments. Wicked environments like a startup is so complex that it's hard to find perfect solutions to your problems. What worked for someone else, it's good to assume that it doesn't have to work well in your case. So if you find an advisor who tends to prescribe, drawing from their own experience, give it a thought - is it going to help you?

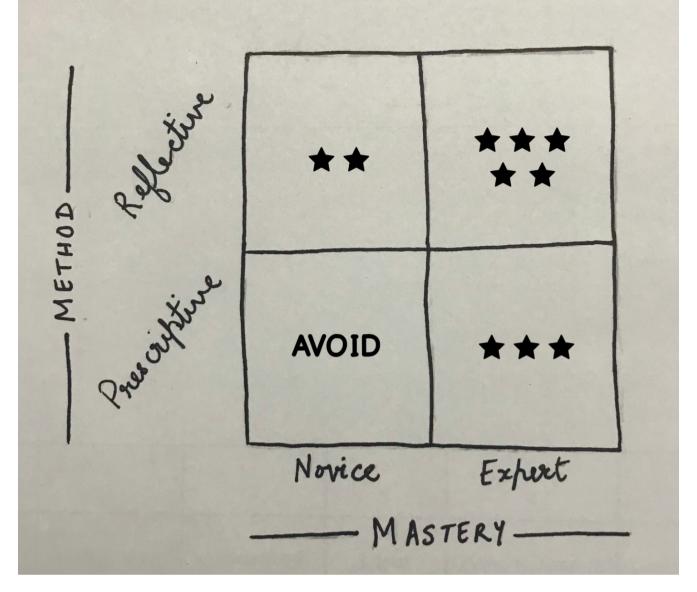
#### Reflective

The reflective method of advisory is the antithesis of the prescription in my opinion. Advisors who practice this method, I've observed, happen to be detached from processes and playbooks that have worked well in their learning experiences. They tend to embrace the unknown better and are comfortable with not having the urge to force a solution to a specific problem. But if all that they are going to tell you is, "I don't know" or "it depends", how does that help? Doesn't that defeat the entire purpose of advisory?

Well they don't prescribe solutions, but they do something else that's very important. These advisors have the capability to articulate how they solved a similar problem in their journey and context, while stressing on the disclaimer that the same solution need not work for you. Adding to that, they tend to spend more time probing you to understand the problem better - they ask you questions that when you try to answer, help you understand the different layers of the problem. Or in other words, they help you reflect on the problem (the effect from which I borrowed the name for this method) and this process helps you evaluate multiple solutions to a problem and more importantly own the outcome better.

## **The Final Verdict**

In the light of what we discussed, here's how I would rate each of the quadrant when it comes to advisory in startups and other wicked environments.



Final verdict on "choosing the advisor" quadrants

If you come across a novice advisor with a prescriptive method, avoid them at all costs. They might give you a sense of assurance and confidence in the early days (that we get with any prescriptive experience), but it's going to be counter-productive in the long run. More than wasting time, these engagements steal away the opportunity for you to build a sound understanding of the problems you are trying to solve. **Avoid them**.

Novice advisors with a reflective method might not do you much harm. The questions they ask are bound to help you get better. But the lack of mastery might leave you

frustrated or stranded if you are relying on them as a strategic sounding board. I would give them **2** / **5**.

Expert advisors with a prescriptive method might work well in the short run. Their advice, though prescriptive, is backed by experience. However, if you are looking for an advisor in a long term game, I would avoid hiring them. Just like the first category, these advisors could take you away from understanding your problems better and their bias to solving the problems their own way could become detrimental for you. Most good advisors in a market, I presume, would belong to this category. I would give them 3 / 5 for the experience they bring onto the table. A thoughtful mentee can extract value out of such an advisor without blindly following their methods.

Expert advisors with a reflective method takes the cake for me in this framework. They will force you to build better situational awareness with the help of reflection. When you combine that with the expertise that they bring onto the table, the most likely outcome is going to be a rich learning environment for the mentee. The mentee in such cases finds herself in a position where she finally decides and owns the proceedings with better awareness. These advisors are hard to find - it's as hard as finding an accomplished person who emanates humility. But if you find them, keep them close to you since they could be pivotal to your journey. I would rate them 5 / 5 in our framework.

What has been your experience with finding advisors? What method do you follow to evaluate and hire advisors? I've put together a <u>Tweet thread</u> here. Feel free to engage and share your thoughts. Thanks for reading.