

# The Engineer Crunch

For most startups in the bay area, the engineer crunch is a bigger problem than the Series A crunch (this somewhat applies to designers as well, but most startups need far more developers than designers). The difference in difficulty between hiring developers and hiring everyone else is remarkable-- I frequently hear startups say that for a non-engineering position they can find multiple great candidates without really looking but can't find a single great candidate for an engineering role no matter how hard they look.

Sometimes this difficulty is self-inflicted.

First, of all the canonical terrible advice investors give, being cheap with equity grants is among the worst. I'm not quite sure why so many investors (and some founders) get this so wrong, but when startups complain about being unable to hire engineers and in the next breath tell me they are offering 0.1% to 0.2% as a very early stage company, I lose a lot of sympathy fast.

Granting equity should be easy to do. If someone performs and earns their grant over four years, they are likely to increase the value of the company far more than the 1% or whatever you give them. If you've made a hiring mistake, you ought to fire them well before they hit their cliff anyway.

I have never seen a startup regret being generous with equity for their early employees. I have seen a lot of failed startups proud of how well they managed their option pool budgeting.

For most engineers, this is as much about fairness and feeling valued as it is about the money. And of course, if people are going to turn down the certainty of a huge salary at Google, they should get a reward for taking that

risk.

On the positive side, average equity grants for engineers at early stage companies seem to be moving up, but still not as much as they should given the supply/demand mechanics.

Second, I've noticed that mission-oriented companies have a much easier time recruiting engineers. It's a cliché that great engineers want to change the world, but it's generally true. If the best part of your recruiting pitch is about how much money the company is going to make, you'll have a harder time recruiting talent than if you can talk about why it's so critical for the world that your startup fulfills its mission. That said, if you're the 17th food delivery startup, don't make up some story about how you're going to change the world--it won't work. You can still find ways to hire great people, but an embellished mission isn't one of them.

Great hackers also want the opportunity to work with really smart people and the opportunity to work on interesting problems, and the nature of mission-oriented companies is such that they usually end up offering these as well.

If you are not a mission-oriented company, then I think the best strategy is to think about how to make do with a much smaller engineering team than you might have originally wanted. Teams of two or three engineers can accomplish amazing things, and there are plenty of great businesses that need small engineering teams and very large operations/sales teams. Also, in this case, you pretty much have to have a hacker cofounder, because hiring good developers will be so hard.

Third, if you're going to recruit outside of your network (usually a mistake, but sometimes there are truly no other options), focus on recruiting outside of the valley. There are great hackers all over the country, and many of them can be talked into moving to the valley. In fact, probably less than 5% of the

best hackers are even in the United States. [1]

Finally, most founders are not willing to spend the time it takes to source engineering candidates and convince them to come interview. You can't outsource this to a recruiter until the company is fairly well-established--you have to do it yourself.

[1] Every time someone from the government asks me what they can do to help startups, I always say a version of "The only thing you need to do is fix immigration for founders and engineers. This will likely have far more of an impact than all of the government innovation programs put together."