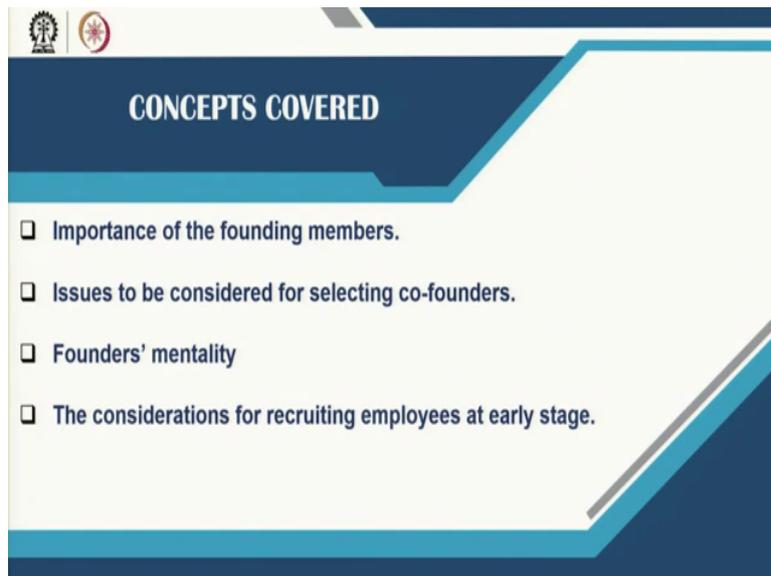


Entrepreneurship Essentials
Prof. Manoj Kumar Mandal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Module – 09
Lecture – 41
Founding Team and Early Recruits

Welcome, in this session we are going to talk about building a team of cofounders and hiring hourly employees. In this age when money is not a problem if you have a wonderful idea there are money waiting for you. In fact, money is chasing good ideas and good team of entrepreneur the team or the credentials of the team makes the greatest of differentiation among startup.

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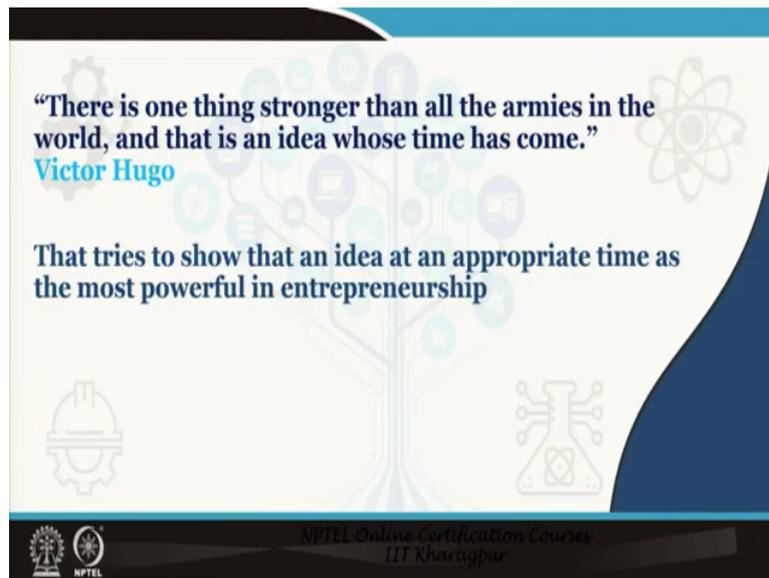


The slide features a dark blue header with the text 'CONCEPTS COVERED' in white. Below the header, there is a list of four bullet points, each preceded by a small square icon. The background of the slide is light blue with dark blue geometric shapes at the top and bottom corners.

- Importance of the founding members.
- Issues to be considered for selecting co-founders.
- Founders' mentality
- The considerations for recruiting employees at early stage.

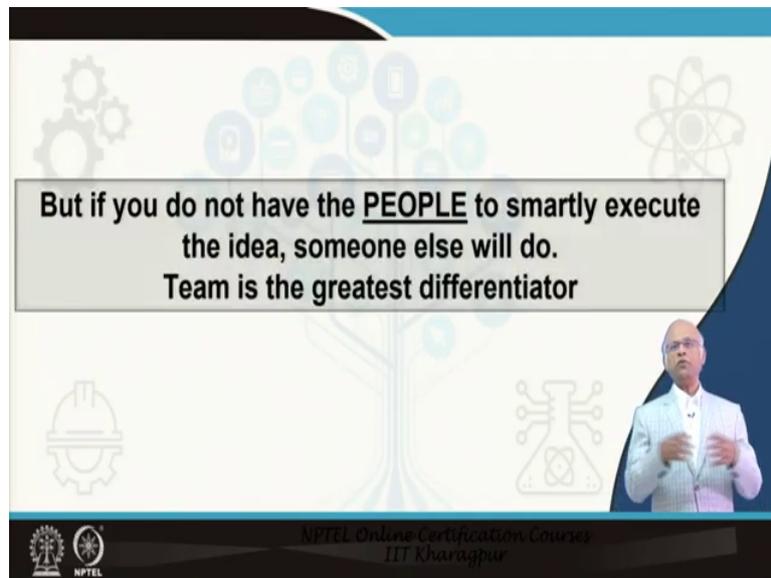
That makes building a team so very important. We are also going to talk about founder's mentality there is a kind of mentality that there are characteristic features of winning cofounders we are going to talk about that.

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And then; obviously, about recruiting I will start with a quotation by Victor Hugo he said there is only one thing stronger than all armies in the world and that is an idea whose time has come. Extrapolate that in the realm of startup you understand the importance of idea for success of a business it is almost like it is the core of success of a business.

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But then suppose you have a wonderful idea, but and you have cutting edge technology with which you have started the business. Now suppose your execution is not so well and then as you move into the marketplace you are struggling to acquire customer you are likely to find that somebody else from somewhere worst you and copy pasted your idea.

And then they are executing better than you they are not committing the same mistakes that you committed and their execution is smarter than you. Obviously, you are going to fail and they are going to win, they are going to win hands down because the idea is wonderful technology is latest technology. So, there is no reason why they will not be successful if the execute that makes the team so important even above idea.

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A Perfect Team Can Circumvent Any Odd

Photo by [Quino Al](#) on [Unsplash](#)

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So, we have to be careful about making a team. I have some images just to drive home the point that startup journey is full of upheavals. And it is almost like any adventurous sports that you can imagine where in only a cohesive team with harmony can win team with disharmony; obviously, cannot win.

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And this kind of a image actually very clearly conveys the message about the uncertainties moving forward in a startup journey. Look at this image and think that one person in this team is interested about his own life he just wants to make sure that his life is safest, even if other people whatever happens to other people nothing should happen to him.

Neither he is going to be able to save himself not to others because all that you need is a concerted effort by everybody only then you can move forward you can remain afloat. Otherwise if anybody is away from the team thinking away from the team or aside from the team, the team is going to be weaker and then eventually it is not going to lead us anywhere.

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The team: individuals with complementary skills.

A great team has all critical competencies for efficient execution.

A high level of collaboration among the team members.

Committed to a common goal.

Share the same vision.

Initial employees are as good as cofounders and hiring decision should be based on missing skills.

The Team

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The slide features a list of six bullet points in dark blue boxes on a light blue background. A speaker in a white shirt is visible in the bottom right corner. The slide is titled 'The Team' and includes the NPTEL logo and course information at the bottom.

Something about the team the team should be people with complementary skill for a startup any startup requires many many skill set. So, one person cannot really bring on the table all that is necessary, so that is why there is a concept called team. So, somebody will bring the technology somebody will be a have some marketing credential some finance things like that somebody will be see you a material who can resolve all the differences among the team and then can take the lead.

Great team has a balance of all the competencies that is necessary to successfully run the business. Most importantly unless they are collaborating with each other if everybody is working for themselves for himself or herself it is not going to take them anywhere. And everybody has to be committed because if somebody has a day job it comes in the evening

and take stock of the things that is happening is going to create disharmony going to create dissatisfaction among team and its startup demands full time attention.

In fact, full time attention also sometimes is inadequate on the other side initial employee's work just like cofounders. At times better than cofounders many many early employees where critical ingredient for success of a startup without them the startup would not have become successful. So, early employees also is very very important component while talking about the team.

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This image has been taken from Hubbard business publishing book called creating teams with an edge etcetera. So, I was kind of inspired by this book this image etcetera just to drive from the point you cannot actually have an image where a startup risk uncertainty and all that can be depicted.

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The slide is titled "Importance of Balanced Team" and features a speaker in a light blue suit on the right side. The slide contains four bullet points, each with a small circular icon to its left:

- Some experts relate selecting co-founders with finding prospective match for marriage.** (Icon: a green plant)
- But co-founders have greater challenges to resolve together and need full commitment.** (Icon: hands holding a globe)
- Many startups fail very early due to founder disputes.** (Icon: a group of people)
- About **70%** of the **weight** on investment decisions by VCs is on the **team** elements or the human capital and their commitments.** (Icon: a person in a suit)

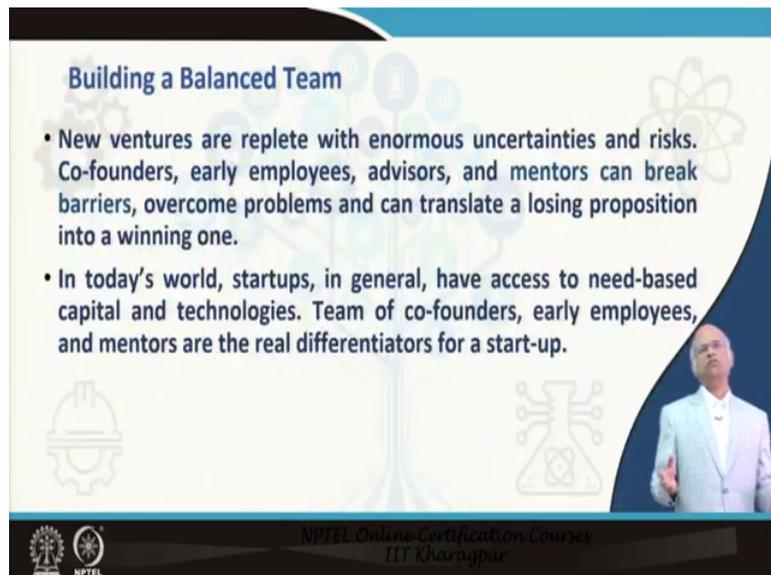
At the bottom left, there are logos for IIT Kharagpur and NPTEL. At the bottom right, the text reads "NPTEL Online Certification Courses IIT Kharagpur".

How important is the team this whole slide actually slide deck is about importance of the team and some consideration. Some expert believe or relate make a similarity or a kind of a correlation with selecting your life partner. How serious that is they think that finding a cofounder is as serious as that, but something that it is even more complex because in family, family partnership you have many kinds of glues that keep you together.

But in startup those glues are not there many startup fail because there are dispute between cofounders they do not gel well or they have difference of opinion different kind of mission vision etcetera. Another thing is that you try to find approach to a bank for funding the most important thing that we would like to understand is the people behind a project, who are they what are their credential experience qualification.

How well are they connected will there be harmony they would like to say that at the first place. If they have doubt about it 100 percent possibility that they will not fund there is a data about venture capitalists 70 percent of their decisions are based on the team.

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Building a Balanced Team

- New ventures are replete with enormous uncertainties and risks. Co-founders, early employees, advisors, and mentors can break barriers, overcome problems and can translate a losing proposition into a winning one.
- In today's world, startups, in general, have access to need-based capital and technologies. Team of co-founders, early employees, and mentors are the real differentiators for a start-up.

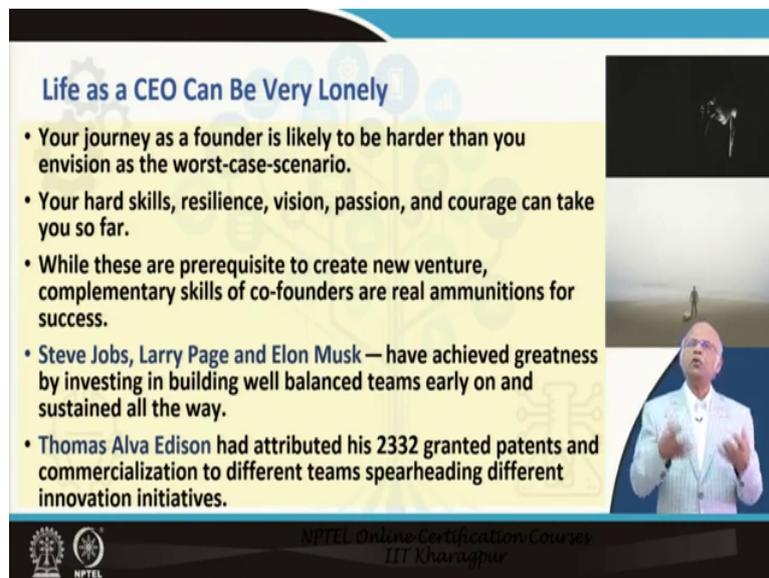
The slide features a presenter in a light blue suit on the right side. The background includes faint icons of a gear, a lightbulb, and a molecular structure. At the bottom, there are logos for NPTEL and IIT Kharagpur, along with the text 'NPTEL Online Certification Courses IIT Kharagpur'.

If the team is wonderful chances are very high that they are going to fund something like that new ventures are replete with enormous uncertainty and risk. So, if there are cofounders they can actually make bridges between external stakeholders and internal operators they can resolve many many issues which sometimes erect as a wall between you and the future.

So, that is why you need wonderful cofounders like you need mentors as well you are stuck at a point somebody holds your hand and tell tells you that this is not a problem. You just move

back move left or right and then move forward and the solution is there and to today's in this today's world.

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Life as a CEO Can Be Very Lonely

- Your journey as a founder is likely to be harder than you envision as the worst-case-scenario.
- Your hard skills, resilience, vision, passion, and courage can take you so far.
- While these are prerequisite to create new venture, complementary skills of co-founders are real ammunitions for success.
- Steve Jobs, Larry Page and Elon Musk — have achieved greatness by investing in building well balanced teams early on and sustained all the way.
- Thomas Alva Edison had attributed his 2332 granted patents and commercialization to different teams spearheading different innovation initiatives.

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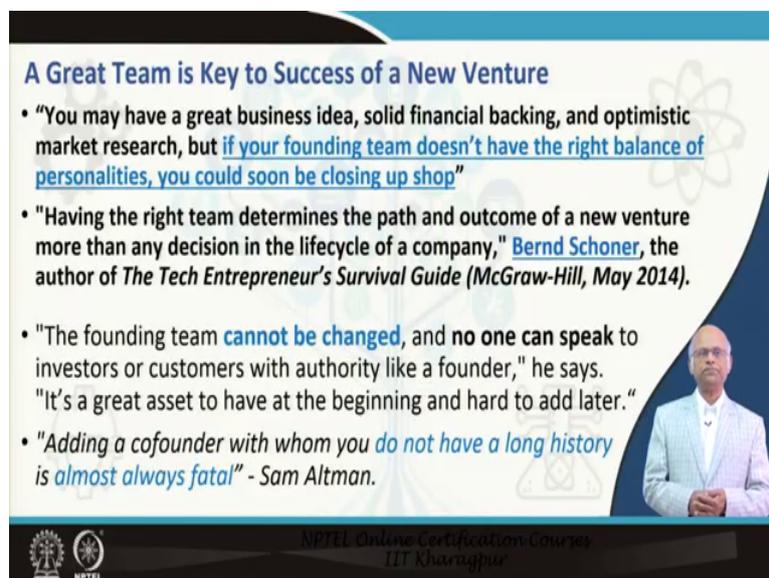
As I said at the beginning team of cofounders at the is the greatest differentiator among startups. Because they bring to the table there is skill which is critical for successfully running the business. Another reason why you need cofounder is that the journey of startup or journey of a CEO or a lonely I mean single founder company journey can be very very lonely.

So, you need people to share your excitement people to share your frustration. So, that you can talk to them and problems can be solved easily by interaction by buys some inputs from others. Unless you have people to even share your success you will not enjoy the success you need people your hard skill may take you so far. But beyond that you need people other

people definitely you need expertise that you have, but then you think of any great leaders any great performer.

Say Steve Jobs and Thomas Alva Edison, regarded as great or some of the greatest entrepreneurs greatest achievers. But read about them you will know that their achievements are the sum total of achievements by their team members without those team members achievement they will go nowhere. So, it is the sum total, but they were great leaders they could lead these people into making wonderful things that is how these people achieved.

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A Great Team is Key to Success of a New Venture

- "You may have a great business idea, solid financial backing, and optimistic market research, but **if your founding team doesn't have the right balance of personalities, you could soon be closing up shop**"
- "Having the right team determines the path and outcome of a new venture more than any decision in the lifecycle of a company," **Bernd Schoner**, the author of *The Tech Entrepreneur's Survival Guide* (McGraw-Hill, May 2014).
- "The founding team **cannot be changed**, and **no one can speak** to investors or customers with authority like a founder," he says. "It's a great asset to have at the beginning and hard to add later."
- "Adding a cofounder with whom you **do not have a long history is almost always fatal**" - Sam Altman.



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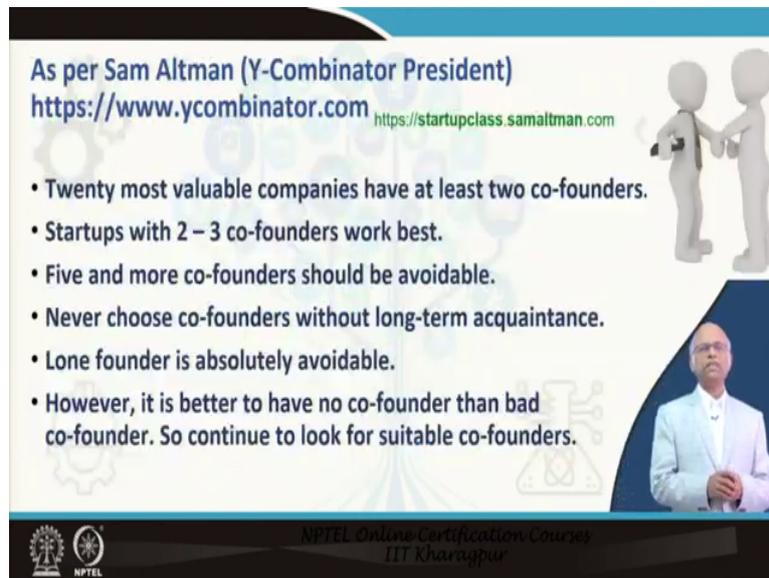
So, a team is absolutely necessary there are many quotations about team I have some three quotations the first one says that if you fail to make a wonderful team you are going to close the shop.

The second one says that building a cofounder team is the greatest decision that you make in a startup journey. The third one is very important and that says that inducting a founder later one becomes difficult not just difficult they do not gel well. Suppose you hire another guy your you induct a cofounder moving forward that cofounder will have altogether different perspective about the vision about the mission about the way you execute etcetera.

It is almost like suppose one of the pillars of your building is broken you put lot of cement, lot of gum, lot of maybe rexine and all that chances are that it will not go well. The pillar will not become a single piece it will always break almost like that Micromax inducted a team of CEO moving forward recently when they wanted to manufacture their own phone rather than getting it manufactured by some Chinese company or Taiwan company.

But then this story became means the story actually was not what they wanted to Micromax did not perform well after inducting this professionals anyway that is a different story.

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The slide features a blue header and footer. The main content is on a white background with faint gear icons. On the right, there is a 3D illustration of two figures shaking hands and a video inset of Sam Altman speaking. The footer contains the NPTEL logo and text.

As per Sam Altman (Y-Combinator President)
<https://www.ycombinator.com> <https://startupclass.samaltman.com>

- Twenty most valuable companies have at least two co-founders.
- Startups with 2 – 3 co-founders work best.
- Five and more co-founders should be avoidable.
- Never choose co-founders without long-term acquaintance.
- Lone founder is absolutely avoidable.
- However, it is better to have no co-founder than bad co-founder. So continue to look for suitable co-founders.

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So, if the cofounders are not getting well it is almost like sure fettle, now some considerations about cofounder this has been taken from a lecture series called startup class dot Sam Altman dot com the reference is right here. And I have just collated the data from here Altman says that most of the companies who are successful they have more than one founders.

And his observation is that 2 to 3 cofounder's work best four and more four is, but five and more is not so well they do not really perform well. And his advise is that it is even if you are alone, but do not try to induct a cofounder for the sake of inducting one. Unless you are you go along with the person well otherwise do not because a wrong cofounder is almost fatal.

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Know What You Need

- Clearly define your vision and values.
- Make clear assessment of the skills you need.
- Assess your own strengths and weaknesses.
- Identify suitable persons with the critical missing skills.

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When you want to induct a cofounder you have to think about your own strengths and strengths and witnesses and only then wherever you find that somebody can complement you with skills only then you should choose a guy. If you are exporting take try do not try to hire another tech guy hire a marketing guy another may be finance guy.

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Know What you Need

- Check the level of drive and motivation in individuals.
- Humility, openness to new ideas, and readiness to collaborate on decisions are very important.
- Emotional buoyancy – keeping cool at times of despondency.
- Personal honesty.

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So, that is very important to identify what kind of skill you are looking for check the level of drive motivation that other person brings in. Humility openness to new ideas there are many things people have some kind of idiosyncrasy that is their mental state.

Some people are not with new ideas, some people are not with tension suddenly something goes wrong they get upset they get depressed that is not desirable in startup. So, emotional buoyancy is if somebody is too buoyant that is not good somebody has to keep their cool and most importantly personal honesty somebody has to be honest, if somebody using dishonest means create a wonderful startup for you even that is not good.

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A Team Member may Bring the Following Values

- Drive
- Entrepreneurial instincts
- Domain knowledge
- Business process management skill
- Intelligence / Creativity
- Track record / Credentials
- Past collaboration
- Shared vision and values

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You should get rid of that person as early as possible do not be allude by shortcut it is going to be devastating moving forward honesty is one of the most important trait of founders cofounders. So, a founder will bring drive meaning the execution speed will be high they will drive everybody press into action etcetera they have the entrepreneurial instinct they have they understand the market moving forward and business process management.

And how things are kind of coordinated or they the pieces are connected as a single unit then the intelligent creative they have a truck record behind them they have collaborated with some people in the past collaborating is difficult if you are a loner you will find it difficult to collaborate.

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The Google Team

1995	• Larry Page and Sergey Brin meet at Stanford. Larry, 22, a University of Michigan graduate, is considering the school; Sergey, 21, is assigned to show Larry around.
1996	• Larry and Sergey begin collaborating on a search engine called BackRub. BackRub operates on Stanford servers for more than a year—eventually taking up too much bandwidth.
1997	• Google.com is registered as a domain on September 15. The name—a play on the word "googol," a mathematical term for the number represented by the numeral 1 followed by 100 zeros—reflects Larry and Sergey's mission to organize a seemingly infinite amount of information on the web.
1998	• Sun co-founder Andy Bechtolsheim writes a check for \$100,000 to an entity that doesn't exist yet—a company that was later called Google Inc.

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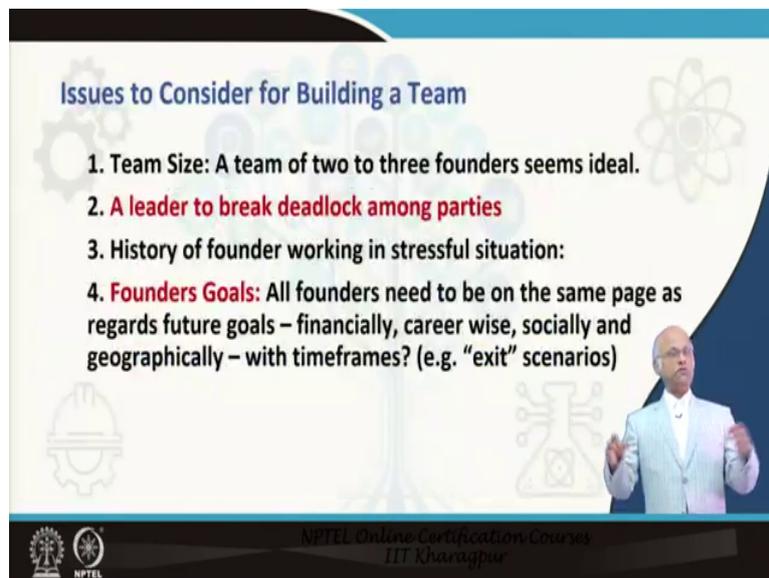
If somebody has collaborated that is guaranteed that he is a person who can collaborate; obviously, shared vision is definitely something. Here is an example of course, it does not talk about how to choose a co founder, but then just as a digression Larry Page and Sergey Brin they meet at Stanford in 1995.

Larry was 22 a university Michigan graduate he came here for doing PhD Larry Sergey Brin they started collaborating on a search engine called backrub. Backrub was operating in Stanford for a year or so it was taking too much of bandwidth. So, they came up with something some different kind of an algorithm for search engine.

So, Google dot com was registered it is actually Google means it came from the word Google and that is 1 followed by 100 zeros that is the number 1 then 0 0 0 0 0 100 zeros that is the number called Google. And very importantly the team the proposition the idea the timing are

so perfect that some cofounder just issued a cheque of 1 lakh dollar even when the company was not formed.

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Issues to Consider for Building a Team

1. **Team Size:** A team of two to three founders seems ideal.
2. **A leader to break deadlock among parties**
3. **History of founder working in stressful situation:**
4. **Founders Goals:** All founders need to be on the same page as regards future goals – financially, career wise, socially and geographically – with timeframes? (e.g. “exit” scenarios)

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You are so convinced that this is going to be a wonderful company look at the vision of this person you could realize that this company is going to be a successful company what success it is this is the most successful company in the world. So, here is a tabulated list of traits of cofounder one is team size should be two to three there should be a leader to break deadlock between founders cofounders teams of employees so they must have history of working under stress.

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The slide is titled "Issues to Consider for Building a Team" and features a list of four points. The background is light blue with a large, faint tree-like graphic. A presenter in a white suit is visible in the bottom right corner of the slide area. The NPTEL logo and text are at the bottom.

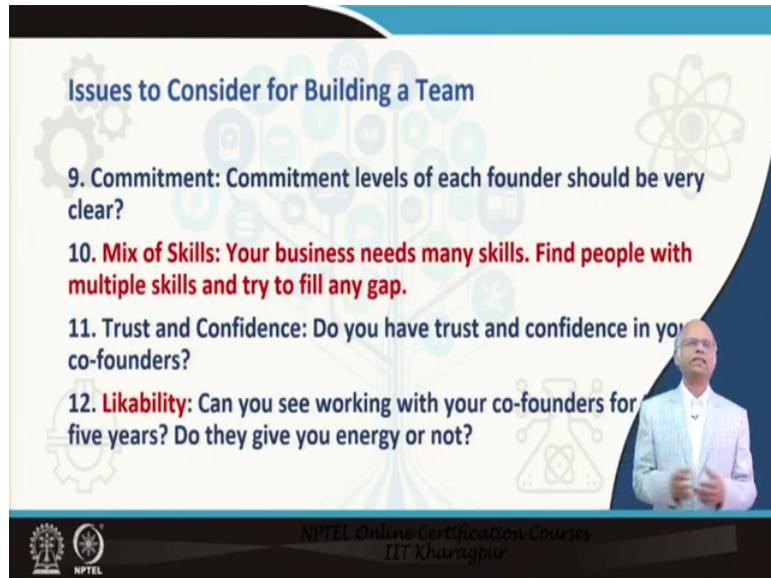
Issues to Consider for Building a Team

5. CEO role.
6. **Equity Philosophy:** Initial allocation and future accretion.
7. Shared Vision: Is there a core vision drawing the team together?
8. **Shared Values:** Common core values make the team a strong unit?

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Then they share a common goal CEO role meaning that they are kind of disp demonstrate leadership role. Equity philosophy means everybody should get proportional equity allocate for future accretion means depending on their performance shared vision meaning they want to achieve the same vision. So, unless that is there different people will try to drive the boat in different direction the net result will be almost like 0 and shared value.

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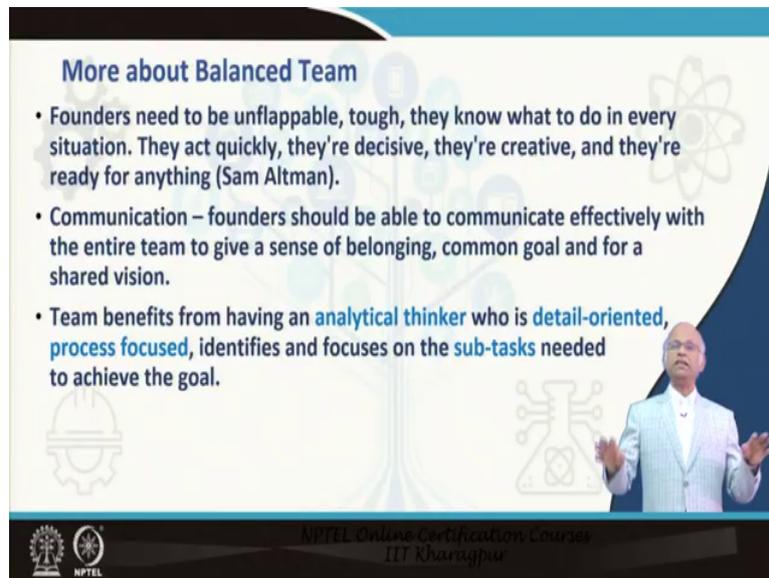
Issues to Consider for Building a Team

9. **Commitment:** Commitment levels of each founder should be very clear?
10. **Mix of Skills:** Your business needs many skills. Find people with multiple skills and try to fill any gap.
11. **Trust and Confidence:** Do you have trust and confidence in your co-founders?
12. **Likability:** Can you see working with your co-founders for five years? Do they give you energy or not?

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Value means it comes ethical sense comes into this and for whom you are creating the value is important what kind of a product how it is solving the problem etcetera. Everybody should be committed everybody should contribute mix of a skill complementary skill trust and confidence.

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More about Balanced Team

- Founders need to be unflappable, tough, they know what to do in every situation. They act quickly, they're decisive, they're creative, and they're ready for anything (Sam Altman).
- Communication – founders should be able to communicate effectively with the entire team to give a sense of belonging, common goal and for a shared vision.
- Team benefits from having an **analytical thinker** who is **detail-oriented**, **process focused**, identifies and focuses on the **sub-tasks** needed to achieve the goal.

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Likeability that will determine the coherence among the team the harmony in the team, founders needs to be unflappable. Under whatever circumstances there will be lot of ups and downs and they should communicate well, suppose you are telling something to your employees and you are unable to communicate properly they will not deliver.

So, your communication matters a lot only then if the understand well they will deliver. Then there should be some analytical thinkers who are detail oriented and they are very discipline they organize things in a manner that the company moves in the right direction.

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A Balanced Team to Have the Following Experts

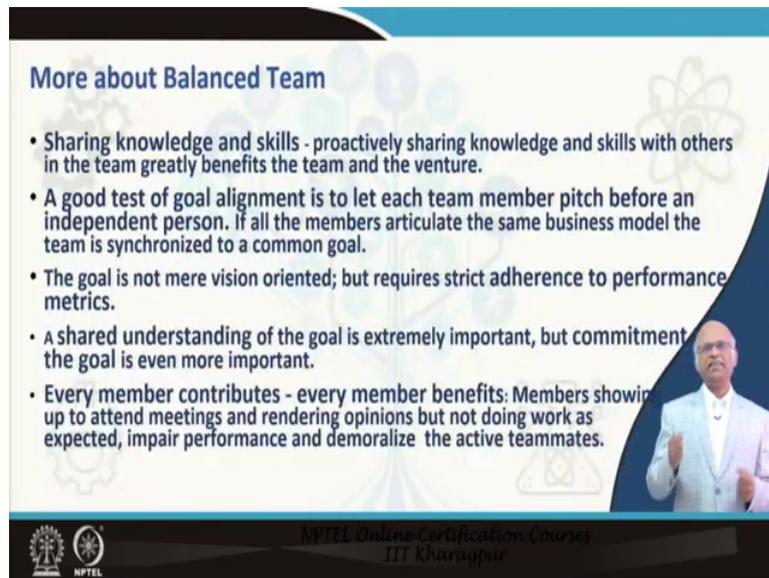
- A product expert (Prima Donna and Superstar). That person would turn the problem and customer knowledge into a workable prototype and do things that scale.
- **A Leader** – who has sway on everybody and mitigates interpersonal crisis.
- An industry expert – with deep experience
- **A marketing expert** – who knows the mantra to sell whatever you make
- A financial expert – ensures need and source of money in time proactively.
- **A person with a fat purse** – who is ready with fund as and when necessary.

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Otherwise there will be some kind of disharmony meaning the things will go haphazard. A balanced the same thing told differently, but a balanced team must have a product expert, a leader who will resolve conflict and industry expert meaning a deep experience on the technology that you are; that you are operating in.

A marketing expert he will he or she will bring the customers acquire help to acquire customers and retain them customer satisfaction etcetera. Financial expert necessary to raise money to make profit cut cost and then improve your revenue model a person with the fat parts.

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More about Balanced Team

- Sharing knowledge and skills - proactively sharing knowledge and skills with others in the team greatly benefits the team and the venture.
- A good test of goal alignment is to let each team member pitch before an independent person. If all the members articulate the same business model the team is synchronized to a common goal.
- The goal is not mere vision oriented; but requires strict adherence to performance metrics.
- A shared understanding of the goal is extremely important, but commitment to the goal is even more important.
- Every member contributes - every member benefits: Members showing up to attend meetings and rendering opinions but not doing work as expected, impair performance and demoralize the active teammates.

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Whenever you need money he is there to help sharing knowledge and skill meaning people should not be self-centered. I know something and I will not share with others so that my value remains at the top this sort of thought process should be avoided.

If somebody is like that he is not a good cofounder he or she should teach others and then others will do that work he can he or she can concentrate or something else. A good test of shared vision is like their vision or mission is like this that you ask anybody to talk about your mission. If most of the people fail; that means, they do not share because they do not even know what the mission is what the vision is. So, time and again it is a good idea to ask people to pitch as to what are our goals.

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Experience of Bad Team Member

- Schoner cofounded the radio frequency identification technology company ThingMagic with four fellow Media Lab graduates at the MIT, and experienced a year of **"extreme turmoil."**
- *"We had worked together before and were convinced we knew each other well," he says. "But once you start a company, outside pressure causes people to act differently. That was, for me, one of the most traumatic experiences in my early years. A fundamentally different environment changes people, and how they react."*
- *"The founding team cannot be changed, and no one can speak to investors or customers with authority like a founder," he says. "It's a great asset to have at the beginning and hard to add later." Schoner*

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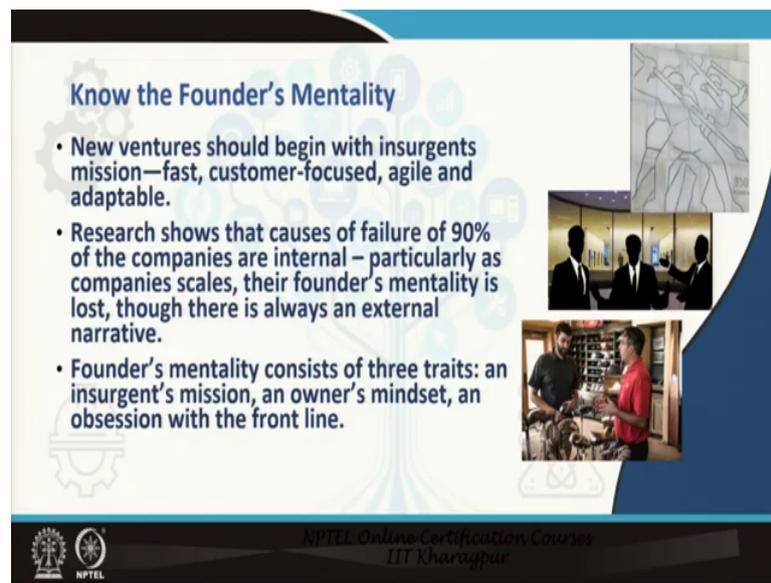
But then having said all of that it is not always necessary that if you take care of all of that you will have a wonderful team look at this example. Schoner cofounded radio frequency identification technology company thing magic with four fellow Media Lab graduates at MIT none other than MIT and they are all students of the same batch. So, they had every reason to believe that this is the best team and they should work together to create this enterprise.

But by the time the first batch of money came to the on the table different people started talking differently someone said we must take a lot of salary because we do not know where we are going to head to. So, let us make our own wealth out of this money someone say what nonsense you are talk you take away the money then how the company will grow.

So, likewise immediately thereafter they realize that this team is not going anywhere and they realize that this team is not a coherent team, they do not gel well they do not share the same

vision. So, that is what is the great learning that sharing same vision is very important not just your buddies or long acquaintance you need to know whether you are here to achieve the same goal to go to the same one place.

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Know the Founder's Mentality

- New ventures should begin with insurgents mission—fast, customer-focused, agile and adaptable.
- Research shows that causes of failure of 90% of the companies are internal – particularly as companies scales, their founder's mentality is lost, though there is always an external narrative.
- Founder's mentality consists of three traits: an insurgent's mission, an owner's mindset, an obsession with the front line.

The slide features a blue and white color scheme with a gear icon in the background. It includes three small images: a technical drawing of a mechanical part, a group of three men in business suits, and a man in a red shirt interacting with a customer in a retail setting. The NPTEL logo and text 'NPTEL Online Certification Courses IIT Kharagpur' are visible at the bottom.

Now, with a different flavor I am talking about founder's mentality very important, but with the difference meaning it is not really all those characteristics that I just discussed. I have given a reference of a book look at that the book title itself is founders mentality and I liked it so I have three four slides on that.

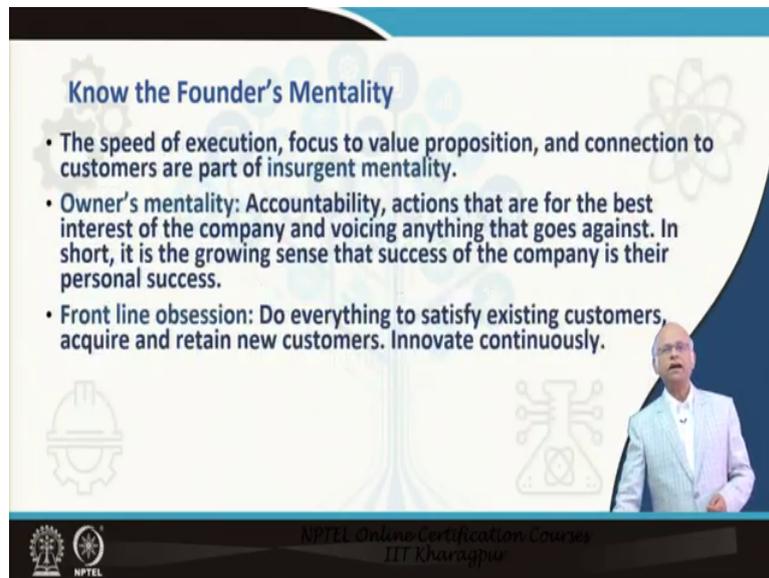
One is insurgent mission insurgent have a mission they work with a mission they do not think they do not care bother about their lives. If something is to be achieved they will just run to achieve that no matter what their goal focused their customer focused in this case there is the war is with the against competitors.

So, they will try to acquire customers there is notch customer at any cost from competitors their customer focus agile and adaptable. Research shows that causes of 90 percent of the failure happens because founders mentality is lost or it is not there. The founders have a different kind of mentality there are three components of founders mentality one is insurgent mission meaning no matter what I have these customers, I have to get them at whatever way possible.

Then there is something called owners mentality meaning that I own the company, so anything getting lost or anything that is to be achieved for the company it is my achievement, I must make all out effort to make sure that this is obtained this is achieved that is owners mindset. And there is obsession with the frontline, if you are in the frontline in a war you do not think of your life you just think of only one mission.

That in front of you there is a goal you just try to achieve that goal suppose you want to achieve you are in the in a start up. So, you will try to acquire customer or if a customer walks into your show your showroom or somewhere you want to make sure that the customer does not go empty handed he or she goes with your product in hand or in bag.

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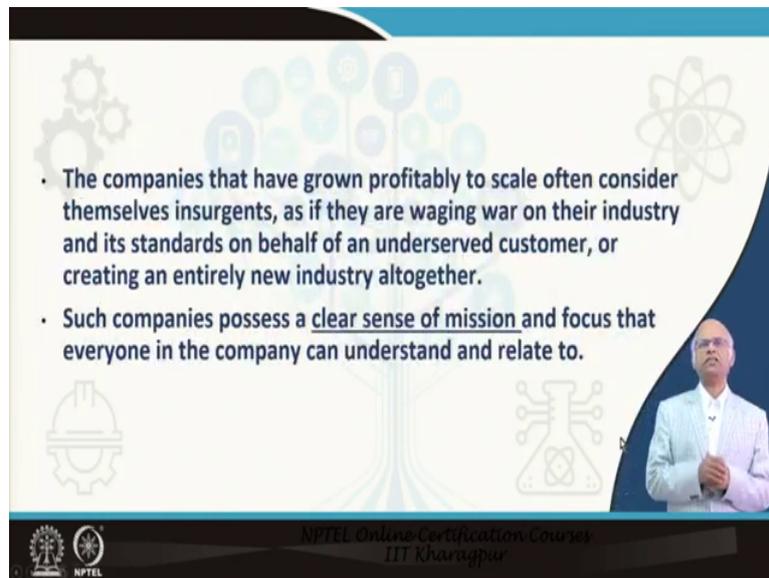
Know the Founder's Mentality

- The speed of execution, focus to value proposition, and connection to customers are part of insurgent mentality.
- Owner's mentality: Accountability, actions that are for the best interest of the company and voicing anything that goes against. In short, it is the growing sense that success of the company is their personal success.
- Front line obsession: Do everything to satisfy existing customers, acquire and retain new customers. Innovate continuously.

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So, understanding founder's mentality is very important frontline obsession owner's mentality and insurgent mission.

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- The companies that have grown profitably to scale often consider themselves insurgents, as if they are waging war on their industry and its standards on behalf of an underserved customer, or creating an entirely new industry altogether.
- Such companies possess a clear sense of mission and focus that everyone in the company can understand and relate to.

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The companies that have grown profitably and have skilled have demonstrated this founder's mentality. The moment founders expired or something happened that founders have lost their founders mentality the company actually lost the vigor the growth the way the company was running. So, it is very important like say for example, IBM when the found IBM had a wonderful success but then the moment the founders expired or left relinquished IBM started falling.

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The defining traits of the founder's mentality

Owner's mindset

Strong cash focus

Bias for action

Aversion to bureaucracy

Bold mission

Spunkiness

Insurgency

Lunatic horizon

Customer advocacy

Front-line obsession

Front-line empowerment

Relentless experimentation

Founder's mentality

Zook, C., & Allen, J. (2016). The Founder's Mentality: How to Overcome the Predictable Crises of Growth.

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There are examples geller about this you can pause and read more about this I will just move forward.

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Front-Line Obsession

- Most founders are the first salesperson, its first product developer, or both.
- They live and breathe the front line, driven by an intellectual curiosity about every detail of the customer experience.
- They use instincts formed at the ground level to make every decision.

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From client obsession as I said that a founder has to be a sales man, has to be a product guy, has to be everything. So, that he when he works he works from that perspective he understands what assessment is doing or what a product development guy is doing and he will always maintain that zeal of working like that they use instinct formed at the ground level to make every decision.

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Owner's Mindset

• **“The difference between employees who operate with the owner’s mindset and those who don’t can be as great as the difference between devoted parents and restless babysitters.”**

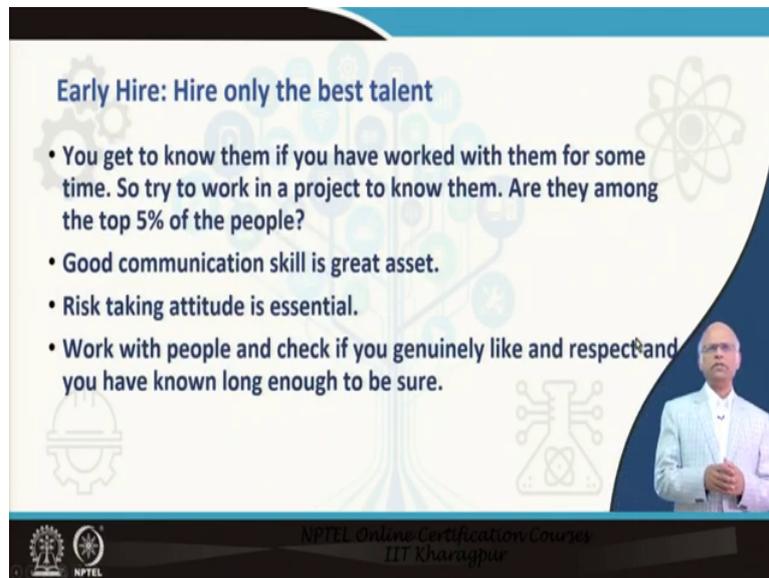
Zook, C., & Allen, J. (2016). *The Founder's Mentality: How to Overcome the Predictable Crises of Growth*.

The slide features a central graphic of a tree with various icons (gears, a lightbulb, a person, a network) as leaves. To the right, a man in a white suit is speaking. The bottom left shows the NPTEL logo, and the bottom right identifies the course as 'NPTEL Online Certification Courses IIT Kharagpur'.

Decision will be driven by that here is just a few lines copied from the book the difference between employees, who operate with the owners mindset.

And those who do not operate with the owner’s mindset can be as great as the difference between devoted parents and restless babysitter. Suppose, you are thinking they start up like your baby if founders with founders mentality or founders mindset will be like devoted parents without founders mentality they will be like babysitters.

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Early Hire: Hire only the best talent

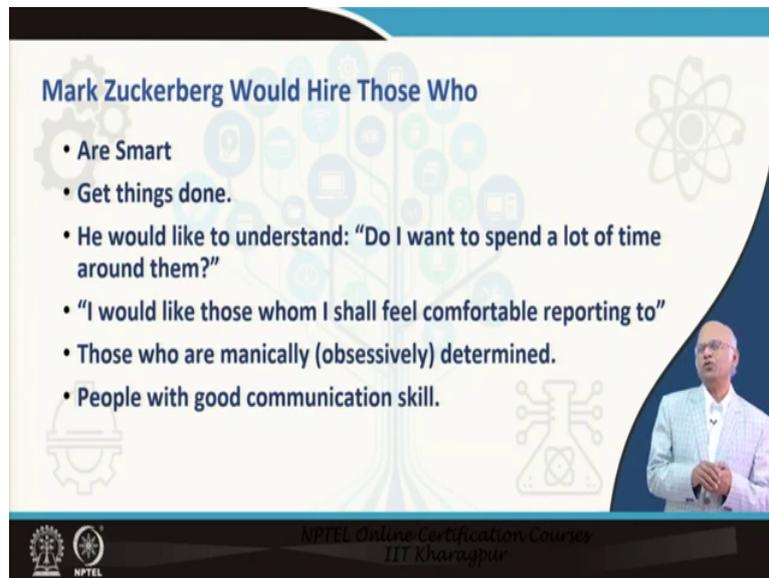
- You get to know them if you have worked with them for some time. So try to work in a project to know them. Are they among the top 5% of the people?
- Good communication skill is great asset.
- Risk taking attitude is essential.
- Work with people and check if you genuinely like and respect and you have known long enough to be sure.

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Hiring early employees now early employees have demonstrated that they are as good if not better than cofounders and many success stories were enacted because there were this early employees.

Now, you get to know them if you have worked with them for a long time. So, if you think that they are 5 percent of the top people only then you hire they must have good communication skill. Just like cofounders they have they should have all the characteristic features like risk taking attitude work with people to know that you have to work with them this is not written in their resume, neither you can get to know by talking to them.

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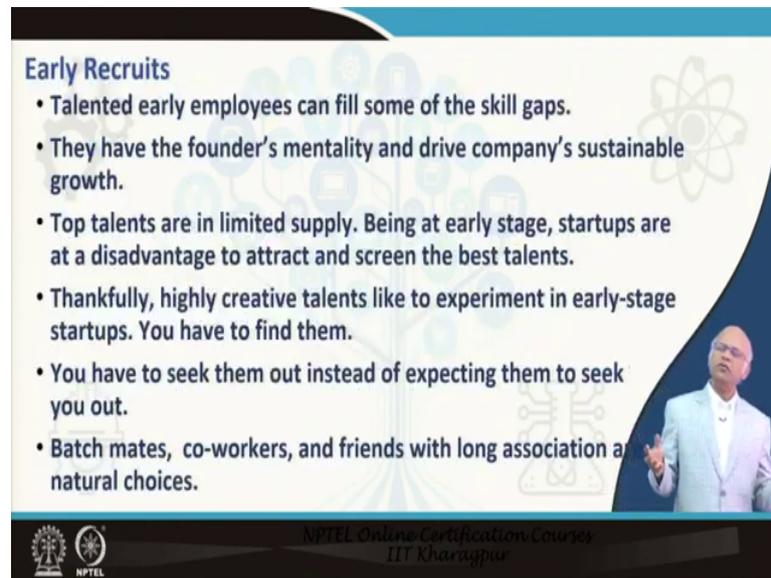
Mark Zuckerberg Would Hire Those Who

- Are Smart
- Get things done.
- He would like to understand: "Do I want to spend a lot of time around them?"
- "I would like those whom I shall feel comfortable reporting to"
- Those who are manically (obsessively) determined.
- People with good communication skill.

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What mark zuckerberg says he says I would recruit a guy who is smart get things done miss their manically committed determined that I must do it and they will do it.

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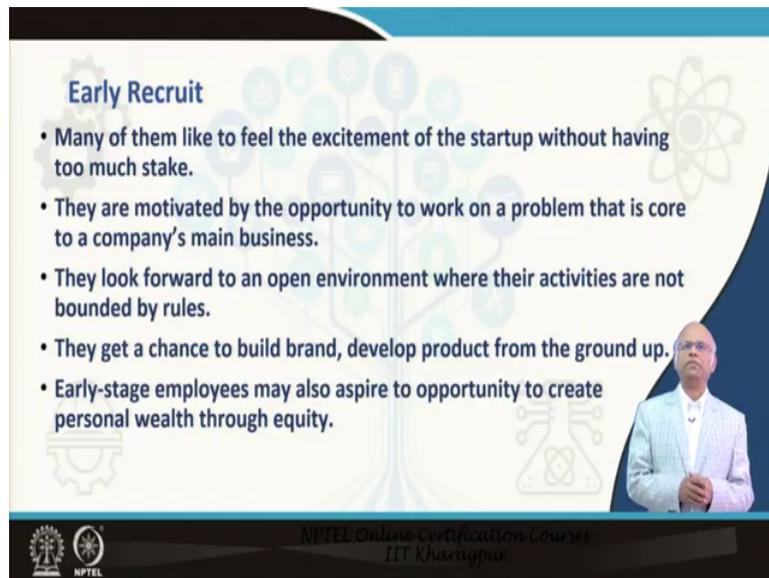
Early Recruits

- Talented early employees can fill some of the skill gaps.
- They have the founder's mentality and drive company's sustainable growth.
- Top talents are in limited supply. Being at early stage, startups are at a disadvantage to attract and screen the best talents.
- Thankfully, highly creative talents like to experiment in early-stage startups. You have to find them.
- You have to seek them out instead of expecting them to seek you out.
- Batch mates, co-workers, and friends with long association are natural choices.

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Particularly he would recruit a person with whom he would feel comfortable roaming around mixing or even reporting to, meaning he wants to see that guy as his boss only then he would recruit. Early employees actually can fill the knowledge gap their skill gap. As I said there they have founders mentality top talents are really limited is very difficult to get, but you have to continuously scout for them they will not; they will not find you, you have to find them.

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Early Recruit

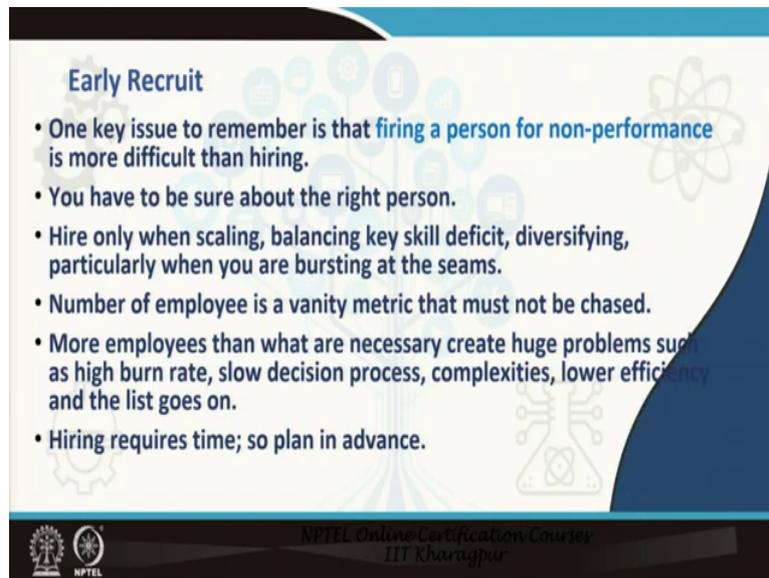
- Many of them like to feel the excitement of the startup without having too much stake.
- They are motivated by the opportunity to work on a problem that is core to a company's main business.
- They look forward to an open environment where their activities are not bounded by rules.
- They get a chance to build brand, develop product from the ground up.
- Early-stage employees may also aspire to opportunity to create personal wealth through equity.

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So, it is very important that you keep looking for them or it is very difficult to recruit because you may not be able to promise the kind of immunities that established, an established company can promise. But the good thing is that early there are many many talented guys who look for the excitement that happens in a startup like building a product from ground up is something that many people would like to feel proud of or excited about.

They want to see that they build something from idea they build a brand they see that they want to see that I have critically contributed in success of a company that company has become something like Google today.

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Early Recruit

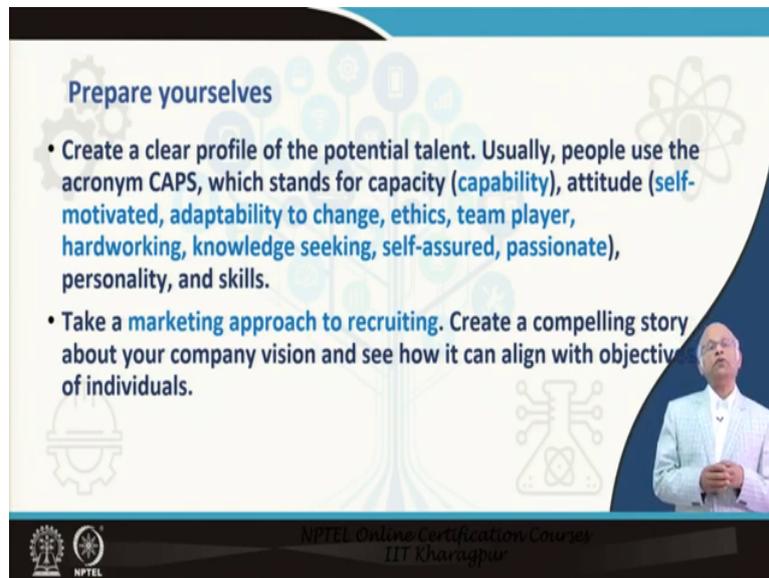
- One key issue to remember is that **firing a person for non-performance is more difficult than hiring.**
- You have to be sure about the right person.
- Hire only when scaling, balancing key skill deficit, diversifying, particularly when you are bursting at the seams.
- Number of employee is a vanity metric that must not be chased.
- More employees than what are necessary create huge problems such as high burn rate, slow decision process, complexities, lower efficiency and the list goes on.
- Hiring requires time; so plan in advance.

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So, those are the things, but some, some there are some caution like one thing is that it is very important that hiring a person may be very easy, but then firing becomes very difficult.

So, if you by mistake recruit the wrong guy you will find that becomes a hell of your liability for you it will be very difficult to get rid of him. But then the moment you identify you try to fire immediately do not delay because delaying will create loss for you loss for the guy as well because you have to think about him as well empathize with him he has he may have family or if he has his own future. So, try to try to separate as quickly as possible.

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Prepare yourselves

- Create a clear profile of the potential talent. Usually, people use the acronym CAPS, which stands for capacity (**capability**), attitude (**self-motivated, adaptability to change, ethics, team player, hardworking, knowledge seeking, self-assured, passionate**), personality, and skills.
- Take a **marketing approach to recruiting**. Create a compelling story about your company vision and see how it can align with objectives of individuals.

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Prepare yourselves before hiring try to understand what knowledge that you are going to require. And there are something there formulas, but then formulas are not important like say caps is one of the formula the acronym caps that is capability and then personality and skill.

Capability is a technical and technical capability then attitude self motivated adaptability to change ethics, team player, hardworking, knowledge seeking etcetera, etcetera. These are all part of the game, but you have to understand and formulate your own strategy. You have to really come up with a story to tell only then the top talent will be motivated you have to tell a story, so that they it resonate resonates with them.

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Who Are the Right Persons

- Failed or successful startup cofounder
- Working experience in startups
- Person with demonstrable creative talent
- Founder aspiration
- Persons with international experience
- Person initiated personal projects
- Small business owner
- Openness to learn new techniques
- Action oriented, self motivated, result oriented,
- Treat customers as individuals rather than (great employees are focused on solving problems of customers)
- They are aware of the company mission and passionate to remain focused to achieve it.

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And they thing that yes there is something exciting happening is in this company I should work. Who are the right persons this is in descending order of merit as per me I just selected them and the first one is the most desired one as and it is reduced reducing moving forward failed or successful startup cofounder should be a wonderful guy.

Working experience in startup persons with demonstrable creative talent founder aspiration if somebody wants to become a founder then that guy is a wonderful guy he will have founders mentality. Persons with internals international experience then if anybody has initiated a project, small business owner openness to learn new technique action oriented self-motivated.

Then treat customers as individuals meaning that customers is not a bunch of people, people everybody is to be satisfied. If somebody complains it is not his or her fault we have to satisfy that attitude they are aware the company mission vision and passionate about achieving that.

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Undesirable Traits

- People with long experience in established companies
- Job hoppers
- Interested in high designation
- Think money as main ingredients in everything

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What is undesirable a person with experience in an established company, he or she will never be able to jail well in a startup. They cannot really adopt in a startup culture job hoppers somebody quits job in 6 months not a good guy just stay away. Interested in high designation or salary not a right guy they think money has main ingredients in everything not a good guy, how to identify talent many ways.

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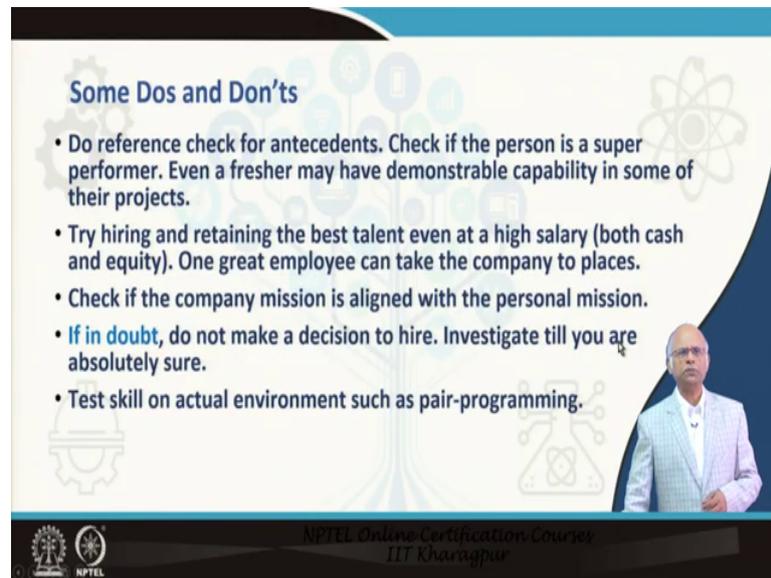
How to Identify Talent?

- Participate in hackathons, conferences, and competitions and make connections.
- Use your peer network.
- Use social media.
- Must not be done in a hurry.
- Do reference check for antecedents.

The slide features a background with a stylized tree of icons representing various fields like engineering, science, and technology. A presenter in a light blue suit is visible in the bottom right corner. The footer includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

But most importantly as I said you have to seek them out rather than expecting them to seek you out you must not do it in a hurry, do it in a hurry then repent throughout your life.

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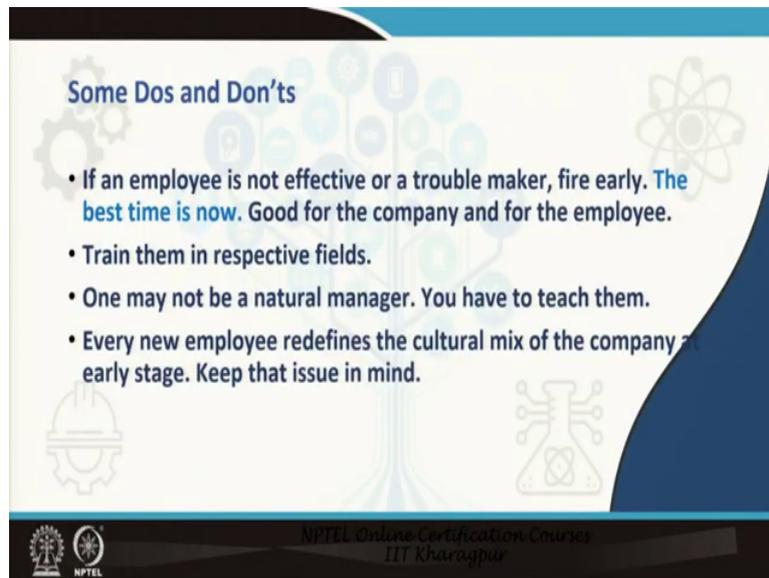
Some Dos and Don'ts

- Do reference check for antecedents. Check if the person is a super performer. Even a fresher may have demonstrable capability in some of their projects.
- Try hiring and retaining the best talent even at a high salary (both cash and equity). One great employee can take the company to places.
- Check if the company mission is aligned with the personal mission.
- **If in doubt**, do not make a decision to hire. Investigate till you are absolutely sure.
- Test skill on actual environment such as pair-programming.

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And check reference from all sources possible some dos and do nots do reference check try hiring and retaining the best of talent even if you have to pay the highest salary. They are worth paying them worth the money if in doubt, if in doubt do not hire wait test their skill in real field do not go by resume or interview put them before the computer and then let them do something.

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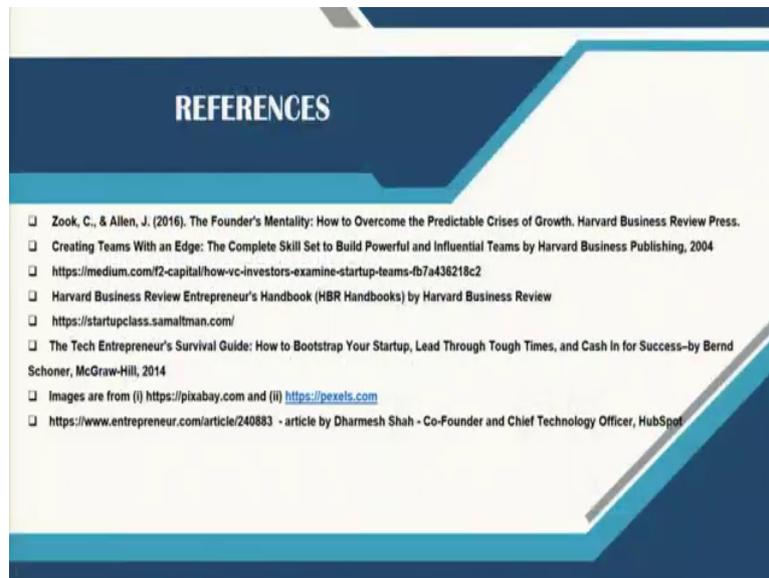
Some Dos and Don'ts

- If an employee is not effective or a trouble maker, fire early. **The best time is now.** Good for the company and for the employee.
- Train them in respective fields.
- One may not be a natural manager. You have to teach them.
- Every new employee redefines the cultural mix of the company at an early stage. Keep that issue in mind.

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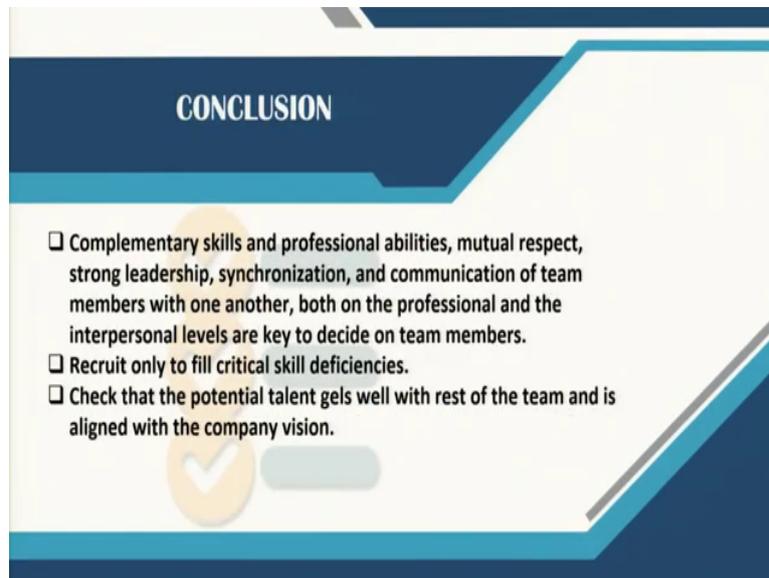
If the employee is not effective fire today, today is the right time train them in respective field do not expect they will come as a manager, but train them and see how the progress. One may not be a natural manager have to train every new employee redefines your culture, suppose you have some kind of a mix suddenly you hire somebody from a different culture altogether chances are very high that entire team will be maligned.

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So, be very sure about that some references.

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CONCLUSION

- ❑ Complementary skills and professional abilities, mutual respect, strong leadership, synchronization, and communication of team members with one another, both on the professional and the interpersonal levels are key to decide on team members.
- ❑ Recruit only to fill critical skill deficiencies.
- ❑ Check that the potential talent gels well with rest of the team and is aligned with the company vision.

Some concluding remarks and then.

Thank you so much.