

Business bootcamp #6: building your C-suite

Want to start a business? The internet is full of advice for entrepreneurs, whether that's detailing the lifecycle of a startup, how to raise investment, how to manifest success and which 'meal in a can' is best for those on the go. Here is part 6 of 10 in your business's 10-day bootcamp.

Temps de lecture : minute

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You've got your *idea*; you've *developed your plan*; you're *networking like the pros*; and you've got your *legals* and *financials* in good shape. Today, let's take a look at pulling in top talent at a senior level.

Anthony Rose says that in order to build a product, you need other people involved.

'That means,' (in the frankest terms), 'that they are going to do work and you are going to give them some compensation in the form of remuneration. This can be cash or equity in the form of shares or share options, but what's common in every case is that there's a contract that specifies the deliverables.

'These contracts state that the intellectual property is assigned to the company, they have a non-disclosure provision, and have relevant non-poaching and non-competing agreements. You don't want to employ somebody that can then build a competing business, take your IP, poach your staff and take business from you. If that happens, you've got only yourself to blame as you didn't have contracts in place.

‘Then there’s paying other people. When you raise investment money, you may pay your employees with the money you’ve got in the bank. Alternatively, you may want to reward them with share options.

‘However, in the early days, you also may not have any money and might want to use shares or share options to compensate someone for their work. In any of these cases, the important thing is that the share option should always vest over a vesting schedule. A classic mistake is that founders find an advisor or a consultant and promise them X amount of shares, but then these people don’t deliver. Just as you wouldn’t pay a developer the entire annual salary on the first of January, you wouldn’t reward ahead of time with shares without seeing any results.’

Not all equity is equal, according to Christian Gabriel, Co-Founder & CEO at Capdesk (acquired by Carta).

- ‘I’d advise any wantrepreneur to think beyond ownership percentages. Your ownership percentage is shorthand for your stake in the company, but it glosses over details that could make all the difference down the line.
- ‘In terms of the market standard, dilution of around 20% is typical at seed stage and series A. For each subsequent round, the dilution percentage should decrease. But following these guidelines is not a fool-proof strategy. The rights you’ve given away at each stage—in the form of liquidation preferences and share classes—matter more.
- ‘My advice to founders is to get as far as possible with ordinary shares only. You’ll reap the benefits later down the line, when you start issuing equity to employees from your option pool, because your employees’ equity will be worth more. Equity is a fantastic tool to align stakeholders with different objectives; be they founders, employees or investors. Make sure you know how any key decisions could unfold, and consult your legal advisor before committing to giving anything away.’

That’s when you know who you’re bringing on board, though. Steve Coulson, Founder & CEO at Kitt, says that ‘one of the hardest things about building a startup is going from 40-75 people and hiring your management team.

‘You have to find leaders who can change the world, but are also willing to change a lightbulb. ‘T-shaped skills’ plus humility is a rare but potent combo.’

To find these leaders, make sure you look at the broadest possible individuals. Siobhan Randell is Director of Diversity, Equity and Inclusion

at Multiverse, a tech startup on a mission to create a diverse group of future leaders through apprenticeships. She says, ‘there are so many reasons why building a diverse workforce is important, from a company’s commitment to social justice to improved results and innovations.

‘There’s incredible untapped talent that businesses could be reaching – in order to do so, equitable and inclusive practices must be embedded in the recruitment and culture of a company.

‘It’s incumbent on all businesses to be representative of the areas where they operate – and recognise that talent is everywhere, but opportunity is not. Apprenticeships are one great way of creating opportunities for people of all backgrounds, and many businesses are launching these programmes as a route for a new generation of talent.’

Useful links:

- [*Definitions and Examples of C-Suite Executives \(reworked.co\)*](#)
- [*Why post-pandemic leadership fatigue puts extreme pressure on the C-suite \(World Economic Forum\)*](#)
- [*The secret sauce for building winning teams in startups \(Maddyness\)*](#)
- [*5 steps to tackle your board’s diversity problem the right way \(Maddyness\)*](#)

Coming up next, we’ll explore the function of HR: when and how you can do it yourself (and when it’s time to bring the professionals in).

Want to read on without a breather? Read the whole 10-step business bootcamp [here](#).

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[The ten commandments for launching a startup](#)

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