Series A is an exciting phase for a startup. Big money means big changes. Prepare for a time of accelerated hyper-growth, *especially* when it comes to your team. To begin the process of huge (yet sensible!) growth, now is the time to take a hard look at your hiring practices. With a sudden influx of capital, your startup's definition of the "right people to hire" is about to change dramatically. And **not always in the way you might think**.

That's why **BLANKSLATE Partners** created this best-practice checklist. Curated quotes and ideas from seasoned entrepreneurs and startup veterans will guide you as you embark upon this new path. This list will help you avoid the common pitfalls, find **the right hires for your company and culture**, and enter Series A with confidence.

"There are a lot of hurdles to cross when companies move from startup to growth, including dealing with chaos and changes in culture. But the biggest hurdle is dealing with the human factor—how you move, shift, and replace people at the company grows into the next level of success."

~Cliff Oxford, Founder of OXFORD ENTREPRENEURS

Start Hiring Specialists

Your small yet *insanely* productive team has achieved a staggering amount thus far. You defined your MVP and core customers, and **created an intentional culture with explicit values**. Every day you take a leap of faith that catapults your team to a new level of

awesome.

There's no doubt that your current kickass team of highly skilled multi-taskers has propelled your startup to great heights, and it's essential that you **reward them for their efforts**. But Series A is also the time to begin hiring specialized talent specific to the company needs! Unlike your early critical hires who excelled as being "generalists", your new "specialist" hires will be exceptionally good at *one* thing. This could be when you choose to build out your brand team by hiring a digital marketer, analytics whiz, or a graphic designer.

If you're unsure whether you'll need your specialists for the long-term, you may want to look at hiring contractors:

"I can't keep a specialist busy all the time. So I look for people willing to work on contract. That way I always have access to the skill set I need eight now. I get top-notch help as an added benefit."

~Thursday Bram of <u>HYPER MODERN CONSULTING</u>

However many specialists you decide to bring on board, just remember to thank the incredible people who helped you build the company. Up to this point, your founding team have had a hand in every aspect of your business. They're used to moving fast, and having complete control, so handing over specific work to a new person will take some getting used to. One of the most important things you can do in this phase is give your initial employees, who may now be managing people for the first time, training and support on just how to do that. **Shopify brought a coaching program to the entire organization** after seeing how impactful it was to their newly promoted CTO, Cody Fauser.

Revise Job Descriptions

When hiring for Series A, it's vital to know the ins and outs of each role's responsibilities. What are the outcomes and requirements assigned to this job? You want to hire the type of people who will excel with you, and thrive in your company culture.

If you're unsure whether a candidate will be a good culture fit, **Louise Fritjofsson from the 500** suggests getting to know them on a more personal level. Inviting a candidate to eat
lunch with your team, or taking a walk with them after the interview can help you get a good
sense of their personality. Your goal is to reveal how well they will gel with **your values and culture**.

Just keep in mind that the "beer test" is no longer seen as the best way to vet a candidate. Judging 'culture fit' by how well someone hangs out and drinks beers is the surest way to miss out on a great hire. Instead consider your company's core values. Make a list of indicators to signal whether or not candidates are hitting the marks for your culture.

"The discovery process is invaluable. Insights come as you frame the job description and think about the experience required for the role"

~ Morris Porter, VP of Sales at SITESPECK

Avoid Over-Hiring for Series A

Over-hiring is an easy mistake to make. You need to bring on the right people at the right time. **Ameet Ranadive**, Product Manager at Twitter, advises that you **"make sure you**"

know what kind of problem you need to solve." In other words, you don't want to ramp up hires in one sector before you know the nature of your overall needs. When Ranadive mistook an execution problem for a market problem, he made the mistake of over-hiring for his sales team:

"Don't hire too many salespeople until you have the scalable, repeatable sales process in place. Otherwise you'll find yourself thrashing, burning through cash, and unable to pivot later."

~ Ameet Ranadive, Product Manager at TWITTER

The key is to think of your long term scope. On a panel this past spring, **Tomas Skrinskas** from **Precision Nanosystems** said **he wished he'd known that for every engineer he hired, he should have hired a salesperson as well.** It's all about the long game. You don't want to hire a stable of full-time developers, then realize three months later that you don't need them. Consider which projects need to be rolled out in a month, six months, and one year—and work backwards from there.

Resist the Temptation Hire

It may feel like your Series A funding is burning a hole in your pocket. But do your best to resist the temptation hire. At first glance, it may seem like this glittering candidate can solve all of your problems—but hiring this person is not sustainable. The temptation hire is your short-term solution. Their prestigious past makes them tough to pass by, but be sure to consider the whole picture. Be honest with yourself. Will this person truly increase the quality of your business? Or are they just an expensive, band-aid solution?

On that note, keep watch for the **brilliant jerk**—a term coined by <u>Netflix</u> CEO Reed Hastings who defines this type as:

"...someone who is immensely talented but rubs people the wrong way. They don't respect co-workers or believe the 'rules' apply to them. Their arrogance provokes people. Quite simply, they are the 'met first' players on the team."

The brilliant jerks look great on paper. They may be high-producing performers, but as Oxford Entrepreneur founder Cliff Oxford asserts:

"[Brilliant jerks] are not brilliant business people. But that's who companies actually need during periods of rapid growth."

The temptation hire at Series A is often a seasoned executive in the sales or marketing world. Keep in mind that the skills that made this hire so brilliant at their former company may not be the ones you need. You need this person to build out a team, and kick your revenue into high gear.

BLANKSLATE Partners CEO <u>Izzie Egan</u> is a big fan of former HubSpot CRO Mark Roberges, and his book The Sales Acceleration Formula. In it Roberges shares the experience of <u>his</u> <u>first major sales hire fail</u>. One great takeaway is his handy list of <u>4 Potential Candidates</u> for Your First Sales Hire.

Consider this: Was your candidate a top performer at an enterprise company? They may be used to systems, support, structure, and process that you haven't created yet. Look for someone who can build a team. Make sure this person thrives in the chaos that comes with rapid growth.

Closing a round of funding can be a blessing and a curse. Series A can fuel your product growth. Or your sales team. The choice is yours. Navigating the changes and potential pitfalls is key to continuing your success and upward trajectory.