



# The Startup Executive's Guide to Talent & Recruiting

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## INTRODUCTION:

# Growing Means Recruiting

Battery's talent & recruiting team helps our portfolio companies execute senior-level talent searches and offer counsel on making strategic hires at every level of their organizations. This is a resource for startups building high-performance organizations from scratch, as well as for late-stage companies looking for specific talent and grappling with various HR and culture issues.

If your company is growing, congratulations! That means you'll also be recruiting – if not now then soon enough. Recruiting is a continual process that directly impacts your chances of hiring the best people. You'll need to ace it to grow your company to the next level.

Every day, we field questions from our portfolio executives about competing for talent against the technology “biggs,” like Google and Facebook; getting executive compensation right; and hiring to maximize diversity and promote innovation. We also help hiring managers who are struggling with similar recruiting mistakes. This whitepaper answers key questions related to these challenges and may help you side-step the industry's most common recruiting errors.

Whether you're brand-new to recruiting or more seasoned, we can prepare you to find and land the talent you need to scale.

Let's get started!



# Your Startup Can Compete With Google, Facebook for Top Talent

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AS FEATURED IN:  Recruiting Daily

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Your first hires came through your personal and professional networks. They were young and hungry and ready to take a risk on an exciting new project. Now you're at a point where you need to hire an established professional — someone who can take your sales team to the next level, handle talent management and personnel issues for your growing company or help you start planning for an IPO.

Hiring high-level candidates is almost nothing like hiring developers or sales reps. Instead of posting an ad and sifting through resumes, you'll be working with a recruiter to identify and approach people at the top of their game. These people will be mid-career professionals, used to earning good money, who can work anywhere. You can't compete with big companies

like Facebook or IBM in terms of salary or name recognition, but that doesn't mean you can't win over top executive talent. It just means you have to work harder to do it. Here are seven things to remember when competing to hire executive talent:

## 1 This isn't an interview.

Recruiting is totally different from interviewing lower-level candidates. These people aren't looking for a job. They have a job. The fact that they're open to talking to you doesn't mean they're unhappy or unsuccessful in their current position. And while you know how amazing your idea and your team are, the candidate doesn't — yet. Keep in mind that you're trying to woo this person away from a stable job. You're going to need to put in some work to do that.



## 2 Make the process convenient for them.

This starts with your first meeting. They're not going to want to take a morning off of work until they've heard more about your company. Don't expect them to come to you — find a coffee shop near their home or office so they can easily fit this meeting into their schedule. As important as this first meeting is, convenience is key throughout the process. It's not uncommon for companies to schedule day-long meetings with candidates so they can meet multiple stakeholders within the company — and completely forget to plan a lunch. Keep the candidate fed and happy, never leave them waiting ungreeted in your lobby and you'll show them you care about their experience.

## 3 Tailor your pitch to their interests.

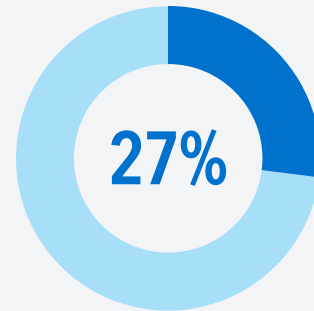
Take the time to look over their resume and social media profiles. What projects do they seem most excited about? What themes carry through their entire career? Candidates hate being approached for roles they're not suited for. Make sure you know why this move would be to their advantage. And then go the extra mile and highlight a project that would build a skill they seem interested in, or help them develop an area of their personal brand that they frequently highlight online.

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## Keep the momentum going.

Time kills all deals. As a candidate, there's nothing worse than going for coffee with someone, getting the hard sell and then hearing nothing for weeks. In recruiting, delay costs you: In a [Recruiter Sentiment Study](#), 27 percent of respondents cited "lengthy hiring practices" as a top obstacle to hiring.

If you have an executive assistant, have him reach out as soon as an interview is scheduled to introduce himself, and then make sure he follows up quickly after each meeting or phone call. If you're handling the process yourself, make it a priority to follow up quickly with candidates. It's a great way to show how serious you are about building a relationship with them.



**cited "lengthy hiring practices" as a top obstacle to hiring.**

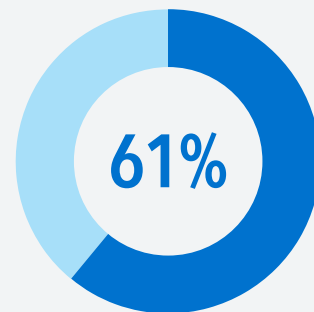
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## Be transparent about potential pitfalls.

Yes, you're trying to sell them on your company and the role you want them to play, but that doesn't mean you should gloss over problems or paint an overly rosy picture. According to one [Glassdoor survey](#), 61 percent of employees say new job realities differ from the expectations set in the interview process — and that disconnect only hurts long-term retention.

If you're still tempted to gloss over uncomfortable details, consider this: [ERE research](#) indicates the real cost of employee turnover for high-level employees is steep — 400 percent of annual salary, to be exact. Transparency now will save everyone trouble in the long run.

Your candidate is probably working for a much larger, more stable company right now. She may perceive startups as risky. And she has good reason to! Of course your company is destined for greatness, but lots of startups fail. If your next round of funding depends on the success of a key project, tell her that. Being honest and transparent about real challenges shows the candidate you want to start this relationship on the right foot.



**of employees say new job realities differ from the expectations set in the interview process.**

## 6 Pay attention — small talk isn't small.

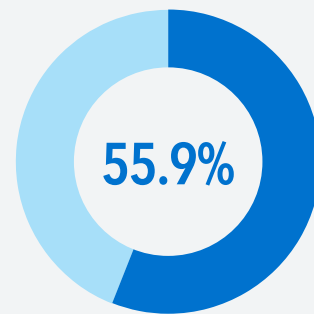
Remember what the candidates tell you about their personal life, hobbies, and lifestyle. If they mention their spouse is concerned about schools in your area, connect them with other parents who can give them the local scoop. If they talk about wanting to work from home part-time, highlight the flexibility you offer. If they mention they're an avid hiker, a baseball fanatic, a karaoke fiend or a triathlete, you know exactly what kinds of activities to organize when they visit you and your team. Keeping track of details like this isn't creepy; it's caring. And paying attention to what a candidate's spouse is interested in or worried about will go a long way towards getting to yes.

## 7 Leave them with a good impression.

We hear all the time from candidates who've been through multiple rounds of interviews and even flown out to visit a company—and then never get closure. [Recruiting Daily research](#) found 55.9 percent of job candidates get zero feedback at all, and another 20 percent get only “general or limited” feedback. That's not the way to thank an influential person in your industry who's spent dozens of hours getting to know your team and company.

When things don't work out with candidates, make sure you reach out and let them know what happened and why. And if they're the ones turning you down, be gracious. The tech world is small. Think of these candidates as potential brand ambassadors. What do you want them saying about your company?

The talent market is super-tight. Top candidates are fielding calls from recruiters all the time. If you can't compete on salary or perks with bigger companies, it's the personal touch that's going to make all the difference.



**of job candidates get zero feedback at all.**

**“Recruiting means trying to woo a talented person away from a stable job. You're going to have to put in some work to do that.”**



# Getting Serious About Hiring: How to Move Beyond “Shopping”

Here’s a true story from our archives. Consider a first-time CEO who needed to hire a VP of sales. He wanted to take charge of the hiring process — then we learned he was preparing by Googling “How to interview VPs of sales.”

As a recruiter, we see too many companies jump into interviewing candidates before they know what they want. They go into “shopping” mode, thinking: “I’ll know the right hire when I meet her.” This is a dangerous myth. Meeting 10 qualified people won’t clarify anything. In fact, it confuses the issue. Research has shown that unstructured interviews are poor predictors of job performance. Plus, candidates can tell that the hiring team has no idea what they’re looking for. They walk away from interviews feeling like their time was wasted. Companies need to realize every single interaction with a candidate is a branding experience, either positive or negative.





Here are four signs that a company isn't ready to hire — and four things companies should do to switch out of shopping and into hiring mode.

## 1 An unrealistic job description.

If the job description is an everything-under-the-sun wish list, the company doesn't know what it wants. Job descriptions that require years of experience and still expect grunt work also signal a lack of clarity. If a company's hiring a CFO, they shouldn't expect that person to run payroll. Likewise, most VPs of engineering aren't coding.

Step one for hiring managers should be gaining internal clarity. What pain points should this hire solve? What projects are stuck on the back-burner until you fill this role? Those two questions will take you a long way towards writing an effective job description.



## 2 An unfocused interview.

If an interview feels broad but not deep, that signals an interviewer in shopping mode. If, as a job candidate, you find yourself in an interview like this with a company you're passionate about, guide the conversation towards what you can do for them. If you're not passionate about the company, you may want to gracefully withdraw from the process.

Hiring managers should ask for help before interviewing for senior roles if they need it. Remember that CEO who Googled "How to interview sales VPs"? We connected him with an EVP of sales who wasn't looking for work himself but was willing to help out. They spent 90 minutes on the phone, after which the CEO invited the EVP to get involved in the interviewing process. He did and ultimately joined the company's board. A simple favor resulted in a mutually beneficial partnership.

Both recruiters and board members can help you connect with experts in the function for which you're hiring. They'll talk you through what you should be looking for and prepare you to run efficient interviews. People are often flattered to be asked for help. Don't be afraid to call in favors and work your network, too.

There's no shame in getting help when you've never done something before. You'll get much better results from an expert than you will from Google.

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## An unhealthy emphasis on cultural fit.

Interviewers in shopping mode fall back on “cultural fit,” which we’ll explore more in the [next section](#). They’re not sure what they need, so they look for someone they can get a beer with after work.

Sophisticated companies are beginning to see “cultural fit” as a dirty phrase. Too often it’s code for “this person doesn’t look, act or feel like me, therefore they must not be qualified.” It [justifies unconscious bias in hiring](#) and leads to less diverse teams. Over-emphasizing cultural fit in an interview can also be a sign of an [insular team](#). Job candidates should think carefully about whether they want to be a company’s first outsider.

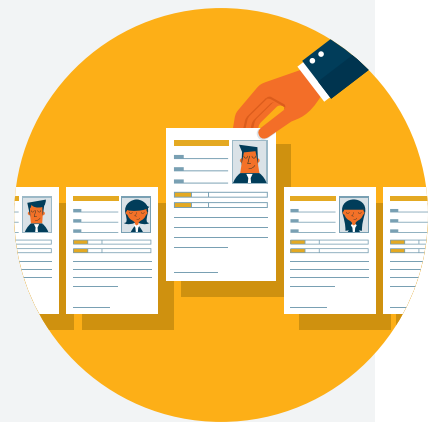
Again, hiring managers must know exactly what questions to ask. Once your advising experts understand your company’s life stage and needs, ask them: how do I distinguish between an A-minus and an A-plus candidate for this position?

For example, an A-minus CFO keeps a startup’s finances in order but has a “back-office personality.” An A-plus CFO can hold their own with the board or analysts and partner with the CEO on a roadshow. An A-minus senior engineer gets the product shipped on time. An A-plus candidate engenders loyalty and often comes with a team of developers attached. An A-minus VP of sales has racked up more wins than losses, but an A-plus candidate helps you see around corners. If you’re at \$10MM in revenue today and headed to \$50MM, you want a VP of sales who’s scaled multiple companies to that level with consistent success. Fine-tuning these distinctions will help your interviews stay focused.

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## Too focused on marquee names on your resume.

If an interviewer seems overly interested, hiring managers should focus less on fancy brands and more on applicable skills for the role. Don’t get bowled over by pedigrees. Google, Apple, et cetera, were once startups but now are massive public companies. Hiring an ex-Gogler does not guarantee quality and might not deliver the skillset your startup needs.





How do you know when you're truly ready to hire? Simple. When you can articulate to others why you need this person, what exactly you want them to do and what kind of background you're looking for — all with elevator pitch-level concision. If you gain alignment within the team on that, you're ready to roll.

**“Too many companies jump into interviewing candidates before they know what they want. They think: ‘I’ll know the right hire when I meet her.’ This is a dangerous myth.”**



# Don't Fall Into the Culture-Fit Hiring Trap

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AS FEATURED IN: **Forbes**

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We once worked with a startup that wanted to hire a new VP of engineering. When we asked the CEO what he was looking for in a candidate, he said, “Someone who can play the drums.” (This CEO happened to be learning the drums at the time.) He was dead serious.

This may sound like a crazy, off-the-wall request, but it highlights a surprisingly common problem in recruiting. Very often startups will say they need someone with the skills and experience to help them scale their company and take it to the next level, business-wise. But when it actually comes time to interview candidates, they're completely – and myopically – focused on cultural issues instead.

This is a big mistake, and highlights the very corporate immaturity that many startups are trying to grow out of by upgrading their management teams. This cultural focus in hiring manifests itself in various ways, ranging from interviewing only candidates of a certain age or background to favoring people with even-more specific habits or quirks (like our



percussion-obsessed CEO above). Here are five common, culture-related hiring mistakes startups make frequently.

### 1 Focusing on chemistry over qualifications.

Startups are often founded by people who know each other really well: college roommates, coworkers from a larger company who jumped ship to start something new. These small teams work together smoothly. They trust each other and have a strong history together. That kind of rapport is important, but trying to continue replicating it with new hires can mean missing out on the best candidates for the next phase of growth.

### 2 Letting age become a factor.

Startup CEOs or directors on startup boards will often say or directors on startups' boards say their teams need “adult supervision.” There can be an element of truth to this — as a company grows, it does need someone to establish policies and formalize procedures in order to succeed at a larger scale.

But the attitude behind this expression is unfortunate. It reveals a reluctance to take an older, more-experienced candidate seriously, when in fact, the best candidate is often someone who's grown companies multiple times before. [Countering ageism in your hiring](#) is the best way to position your company to scale.

### 3 Looking for universal buy-in.

Surprisingly often, startups will bog down the hiring process and turn off good candidates by making highly qualified, senior executives sit through endless interviews with everyone on the team. Literally. The candidate has to keep coming back until they've talked to the entire engineering team. All the people the candidate would supervise in their new role are allowed to weigh in, often because the startup wants to make sure the candidate would be a good “cultural fit.” Not only is this inappropriate, but it makes the hiring decision impossible — you'll never find a candidate everyone will like. The senior team should be able to figure out if a candidate is qualified and will fit well enough into the culture. This is how mature companies operate.



## 4 Expecting senior execs to work “startup-bro” hours.

There’s an expectation in much of the startup world that the whole team will work around the clock. But a lot of folks at the senior level have been there and done that — plus, they have families they may occasionally want to have dinner with. Generally, successful senior executives have learned to work more efficiently: they know what needs to be done, and they do it without pulling all-nighters. So don’t screen for candidates who will stay at the office until 10 every night.



## 5 Letting one bad informal reference tank a good candidate.

Back-channel references happen all the time. It’s natural to want to get the inside scoop on someone you’re considering hiring, but it’s important to remember that nobody gets to the senior level of their field without ruffling a few feathers. Top-level candidates have often managed teams of more than a thousand people. If you’re working at that level, you’ve definitely fired people, a fact that might taint certain references without being openly acknowledged.

Of course you should take informal references seriously, but you should also put those comments into context. Is it possible this person just didn’t like the candidate or the policies they had to implement? Don’t let one person’s bad feelings tank a qualified candidate.

It’s all too common for startups to try to hire in their own image. Whatever success they’ve achieved to this point is thanks to a small, close-knit team. But that team needs to broaden out eventually for the company to grow. NOT doing so can lead you to miss out on diverse candidates who don’t literally look like the team you already have. More broadly, an obsessive focus on culture can blind you to what your company really needs—a candidate with the necessary chops to upgrade your business and take you to the next level.

**“A startup’s team needs to broaden eventually for the company to grow. NOT doing so can lead you to miss out on diverse candidates who don’t look like the team you already have.”**



# Virtual Employee Onboarding: How to Do It Right

Most companies aren't great at employee onboarding in the best of circumstances. But getting onboarding right is even more urgent if you're hiring for a remote position and you can't count on the live office culture to animate the workplace for your new hires. As the employer, it's on YOU to curate the new hire's experience actively, so they feel welcomed and plugged in from day one.



Here are four key things you should do when onboarding a new hire remotely:

## 1 Start the onboarding process before the new hire's first day.

This is always good advice, but it's doubly important when you can't make up for a chaotic first day with a welcoming in-person lunch or happy hour. We recommend sending a welcome email introducing your new hire to the company as soon as they accept an offer. Get them added to all the regular meetings they need to attend. This is also a good time to send them advance material on the company's top priorities. But only share stuff that's fun and energizing—you're trying to get them excited about the job, not give them homework.

About a week before their official first day, schedule a call or Zoom meeting to go over any questions they have. If you can, take care of paperwork and administrative details before their start date, so they can spend their official first day meeting colleagues and getting oriented.



## 2 Take responsibility for their WFH setup.

Don't make assumptions about your new hire's ability to do remote work effectively. Check in with them well before their start date and allocate a reasonable budget to help them optimize their space. Do they have kids doing remote school, or a partner or roommates who are also working from home? Maybe they need noise-canceling headphones to help them concentrate. Maybe a monitor or an ergonomic desk chair would make a huge difference in their ability to stay focused. Wherever possible, give your new hire the flexibility and autonomy to decide what would be most beneficial for their specific situation.

Your new hire—like your long-standing employees—will also want to know if and when they'll be expected to put in face time at the office. Many companies are more open to remote work now than they were in pre-COVID times. If your remote work policy is still something of an experiment, be candid about that. Do this live, not over email, so it's a dialogue. Be as transparent as possible about the long-term plan for remote work—share what the company's policies used to be pre-pandemic, and how they're continuing to evolve now.



### 3 Give them a virtual office tour.

If you were hiring for an in-person role, on your new hire's first day, you'd walk them around the office, showing them the kitchen and other amenities and introducing them to everyone. This is obviously difficult to replicate for a remote hire—but you can and should create an equivalent virtual 'tour.'

The new hire's supervisor should walk them through the company's org chart in a live Zoom call. If you can, try to include headshots, so the new hire can put faces to names and get a sense of who does what.

Assigning each new hire a mentor is another great way to orient people. Ideally mentors should be someone other than their supervisor but adjacent to their team. You want the new hire to feel comfortable probing sensitive topics without feeling judged for asking. Depending on how fast you're hiring, you might organize a new-hires cohort event so that new employees can trade useful tidbits they've recently learned.

### 4 Get creative about engaging them socially.

Social engagement should always be a priority during employee onboarding. But it's even more crucial when you can't meet a new hire face to face.

Make social time a priority during your new hire's first week. If you can, schedule an in-person lunch. If your remote hire lives too far away for any in-person get-togethers, think about creative ways to convene different groups of people they need to get to know. You could send them a bag of nice coffee and a company-branded mug and organize a virtual coffee hour. You could get lunch delivered to their home and have a small group 'take them out' to virtual lunch.

Whatever the activity, keep in mind that your existing team already all knows each other, but the new hire doesn't know anyone. An awkward social dynamic like that is even more awkward over Zoom. Prepare some icebreaker questions, like: "If you could go anywhere in the world right now, where would you go?" On a recent Battery virtual offsite, we played 'virtual bingo' – guessing who had broken six iPhones in the last year, for instance. I love the custom welcome gifs the team at Lever, a recruiting-software company, creates to welcome new hires and new clients.

With everything you do, ask yourself two questions: How can we reach through the screen and personalize virtual encounters? And how can we build mutual excitement for our shared mission as a company?

Onboarding is crucial to talent retention, and remote onboarding is a true challenge. Plan ahead to design a first day and first week that go above and beyond and show your new hire how excited you are to have them on board, even if you can't welcome them to the office just yet.



# Promote Gender Balance at Your Startup From Day One

“We’d really like this new hire to be a woman.” This statement is a commonly heard refrain — usually when a company has reached a certain level of visibility. Suddenly they realize that everyone on their management team is a guy. Ditto their board. And guess what? That just doesn’t fly anymore.

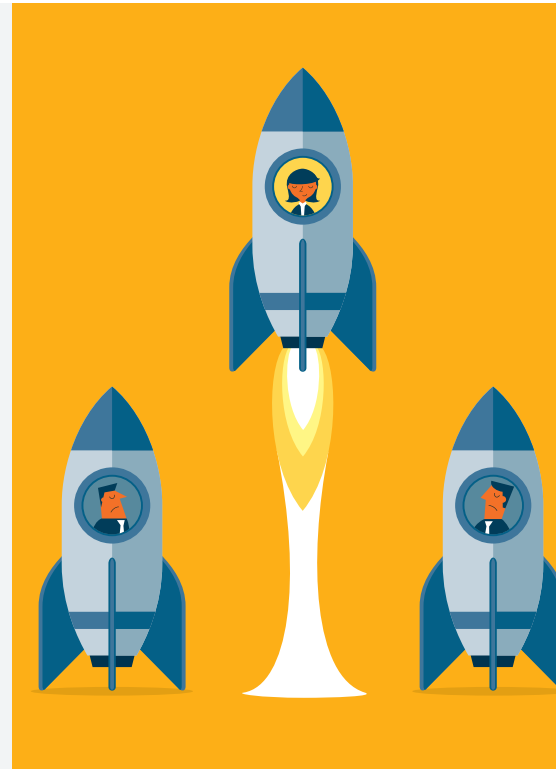
Gender diversity is finally becoming a core issue for CEOs and boards of directors who realize that having women in senior executive roles is no longer optional. There are proven, bottom-line benefits from having women’s viewpoints heard around the table; more types of people in the room mean more perspectives on the problem your company is trying to solve. But change in the tech industry is happening slowly, as anyone who’s been reading the news lately knows.

Right now there is still a dearth of women who’ve achieved senior positions in tech. That means there are simply fewer women available to recruit for open jobs, and the few female executives who have climbed the ladder are bombarded by recruiters — making it even more difficult to hire them.

By the time a company hires a recruiter to “get them a woman,” they’ve typically spent years building their business without taking diversity into account. Without realizing it, they’ve often built a business that’s not particularly welcoming to women. Here are five tactics companies can adopt today if they are serious about achieving a better gender balance in the C-suite, now and longer-term.

## 1 Make an early and prominent female hire a top priority.

The best way to solve your gender problem is not to develop one in the first place. If your company is just starting out or is still small, now is the time to start focusing on hiring and promoting women. Even having one prominent woman on your executive team can help you recruit more high-level women. Facebook has been very successful at recruiting killer female executives since the company hired Sheryl Sandberg. Bringing in even a couple of highly accomplished women can start a virtuous cycle that helps build a stronger, more diverse company in the long run. Having specific programs in place that focus on grooming promising women for leadership roles is also a good idea; offer executive coaching and make sure you are being inclusive and flexible as far as the leadership traits you really need for specific jobs within the company.



## 2 Establish strong parental leave policies – and make sure your management team takes advantage of them.

Are all your benefits designed for 25-year-old guys who never go to the doctor and spend all their time working? You could be turning off the kind of young, ambitious women you’re trying to recruit. Strong parental-leave policies send a message of inclusion and reflect a culture of respect for all working parents. Large tech leaders like Netflix, Facebook and Google have been very public recently in pushing the envelope on parental leave; Netflix famously offers unlimited paid parental leave for a year after a family welcomes a new child, while Facebook employees get four months paid. In addition, seeing C-suite men or women actually take their own family leave — and return to their positions still on the fast track for promotions and advancement — demonstrates a tangible commitment to diversity that mere words or written policies can’t match.

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## Create a culture that focuses on results, not face time.

Working parents (moms and dads!) need flexibility. They need to know they can leave their desks occasionally to attend a soccer game and then log back on later to finish their work. Unfortunately, a double standard pervades too many companies, where men who take an afternoon to attend the school play are celebrated as great dads, and women who do the same are criticized.

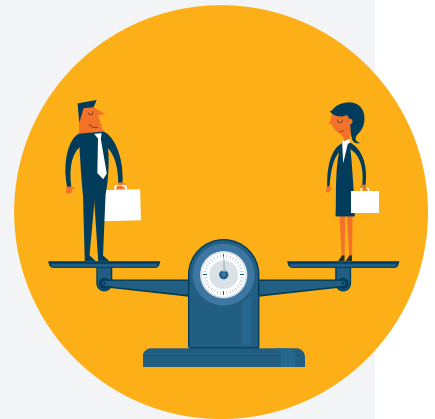
If you're a team leader, you set the tone. Run your organization as much like a meritocracy as possible and don't measure success and effectiveness purely on an "hours worked" approach — it should be about results.

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## Conduct a pay audit – and take a hard look at your unconscious biases.

There are plenty of consultants and compensation analysts who can help you conduct an audit of your pay policies and make sure you're not underpaying your female employees. Prominent female executives — just like men! — are savvy about compensation and may well be interested in the company's overall salary dynamics, in addition to their own compensation packages, which of course must be competitive. We've heard stories of women being told during offer negotiations, when they pushed back on compensation, "well, you have a husband who works and does well . . ." This is not acceptable.

Do a company-wide pay audit, rectify any imbalances and then dig deeper. Think about times when you or your team has negotiated with a woman as a potential new hire. Was that conversation any different than similar negotiations you've had with men? If so, why?



## 5

## Revamp your personal network.

It's natural to hire from within your personal network. If your company is all male now, it's likely to stay that way, unless you make a conscious effort to diversify your personal contacts. Take a few minutes to identify the outstanding female professionals you know at all seniority levels, not just women who are top executives now. They could be tomorrow's leaders. Develop those relationships, and ask those women to introduce you to other great women working in your field.

If there's a female executive you think could be a great advisor or board member, ask for an introduction! Of course, you'll want to make sure you're creating a mutually beneficial relationship, just as you would with any professional contact. But once you cultivate relationships with women in your network, you will naturally get to know more, and those women will introduce you to other killer women.

Tech's diversity problem can't be solved overnight. But the effort it takes to achieve a better gender balance does pay off. Consider the numerous [studies](#) confirming that companies with more women in leadership roles are more profitable, by almost every measure. Building a diverse, high-performing company takes time and work, but the results speak for themselves.



**“By the time a company hires a recruiter to “get them a woman,” they’ve typically spent years building their business without taking diversity into account.”**



# Counter Ageism in Your Hiring & Position Your Startup to Scale

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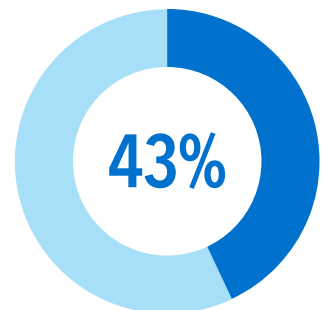
AS FEATURED IN: **Entrepreneur**

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It's time to talk frankly about a common, socially acceptable bias in the technology industry: ageism.

It's no secret the tech sector celebrates youth. What may surprise you, Gen Xers, is that you're considered old now too. [A Payscale study](#) found seven of the 18 top Silicon Valley companies it covered have a median employee age of 30 or younger. An [Indeed survey](#) found 43 percent of tech workers worry about losing their jobs due to their age. Eighteen percent worry about this "all the time."

Ageism isn't just a problem for older candidates (and occasionally young ones). It has more far-reaching implications for businesses: CEOs who fall into the "culture-fit hiring trap" deprive themselves



**of tech workers  
worry about losing  
their jobs due to  
their age**



of the bottom-line benefits of a more diverse workforce. A [Harvard Business Review study](#) found companies with higher diversity across multiple measures (like gender, immigration status, as well as age) “had both 19 percent points higher innovation revenues and 9 percent points higher EBIT margins, on average.”

How can companies remove unconscious ageism in the interviewing process? There are several subtle signals worth paying attention to throughout the process, starting before the candidate ever walks through your door or gets on the phone with a recruiter.

## Prepping for the interview

All productive interviews start with preparation. You may be tempted to make assumptions about candidates as you get ready to interview a candidate. Instead, **plan to ask questions** to see whether those assumptions are actually true. Your first reaction might be to dismiss a candidate with a long list of Fortune 500 executive roles who seems overqualified or too expensive for a position at your startup, for example. But, do you know the real story? The experienced (and probably older) candidate may have earned a bundle from a past role and now want a second career or a passion project. You’ll never know unless you ask.

**If you’re using a recruiter, ask them for context about the candidate’s career goals.** This may explain why a candidate older than your average employee is interested in the job. The candidate could be an empty nester looking for a new challenge. This motivated 50-year-old, perhaps newly freed from some domestic responsibilities, could be just as, or more, energetic than younger employees.





## During & after the interview

The interview enables candidates to demonstrate who they are, what they're looking for and that they understand what matters to the hiring company. It's also the hiring manager's chance to test a candidate's expertise and decision-making acumen — areas where older candidates may outshine younger ones.

Hiring managers should **probe older candidates' experience** carefully. Older workers bring deep perspective and well-honed decision-making skills to their work. They've often “seen this movie before.” Engage candidates about the challenges facing your company and industry right now. What perspectives can they bring to your problems? The candidate might be someone who can tell you what's coming around the corner in six months much better than a “young and hungry” candidate lacking the same years of experience.

If you like what you hear, **take time to listen** to what candidates tell you about themselves before you draw conclusions. Often people assume older candidates want a fat salary. But, not all do. Imagine hiring someone with excellent experience for a modest salary and a robust equity package — because that might be exactly what they want. Or say the candidate lives far away from your offices. Instead of assuming that's a deal breaker, address this issue directly. Maybe the candidate's renting, recovering from a divorce and willing to move closer. Asking will reveal the true story.

Both candidates and hiring managers should **talk to the recruiter after the interview**. That gives both sides a forum to address content not covered in the interview.

**“You might be inclined to dismiss a candidate who seems overqualified or too expensive for a position at your startup. But, do you know the real story?”**





# The Waiting Game: Keeping Startup Talent Happy When an Exit is Still a Ways Off

The trend of venture-backed companies taking longer to exit, either through an IPO or a sale to another company, is well-established at this point. A decade to exit is the new normal and has been for quite a while.

This slow-exit trend, plus a tech workforce more interested in work-life balance today, are both exerting changes on startup culture and forcing CEOs to adapt. Today's tech workers expect customized, flexible benefits and are not willing to accept lower pay, longer hours and zero benefits for the possibility of a big payout later. Startup life isn't a sprint anymore; it's a marathon. So startup employers must create company cultures that are sustainable over the long term as exits take longer to achieve.



How exactly can your company keep employees engaged when an exit may be a decade away? And what kind of perks should startup employees look for as they wait it out? Here are four great ideas.

## 1 Startups should have their employees' financial backs.

While most Americans say they feel confident about their ability to make big financial decisions, only two in five actually have a monthly budget, according to the National Foundation for Credit Counseling. The potential for a big payout when a startup goes public or gets acquired makes financial planning tricky even for the savviest among us. Startups who help their employees wrap their minds around their money and optimize that payout for them can generate true loyalty.

Startups should set up what's called a 'double trigger' for their Restricted Stock Units (RSUs). It sounds (and is) pretty technical, so you'll want to discuss this with your financial advisor. The basic idea is to structure RSUs so that employees don't get hit with a tax bill until they're in a position to sell some shares. Companies can also set up relationships with secondary markets to give employees an opportunity to sell some of their shares before an exit.

Giving employees free access to financial planners or tax advisors will help people plan for the future, both near- and long-term. This is a truly valuable perk that reminds employees of the long game while addressing a need that even educated workers often don't feel confident they have covered.

And of course, every startup should audit their compensation policies periodically to avoid creating resentment among employees. Stock options and compensation packages will never be exactly equal, but every company needs to have a clear policy in place and evaluate it regularly to make sure it feels fair to all.

## 2 Flexibility is the new normal.

Flexible hours, letting people work from home, unlimited PTO—the big players in Silicon Valley are setting the bar high when it comes to flexibility at work. These kinds of perks are incredibly valuable to workers, particularly the millennial workers who now comprise the majority of the workforce. In one recent survey, 75% of millennials said they believe the workplace should be “flexible and fluid.”

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The good news is that, unlike a six-figure salary, a flexible workplace doesn't cost an employer much at all. In fact, letting employees work remotely makes them more productive, reduces turnover, and can even save you money on office space. It's worth rethinking how your office is structured and how your teams work together to make these perks widely available.

### 3 Startup employees want, and now expect, a life outside of work.

A long wait to exit means people won't want to keep their lives and personal milestones endlessly on hold. Progressive parental-leave and caregiver-leave policies show employees their employer understands they have lives and responsibilities outside of work. These kinds of work-life balance issues are particularly important to millennials. And paid leave policies are quite cost-effective compared to the cost of employee turnover.



Startups that want to go even further can create sabbatical policies, allowing long-term employees to take a few months off to pursue personal projects or cross things off their bucket lists. A sabbatical policy is great for encouraging employees to stick around, cultivating gratitude and loyalty, and making people feel like they don't have to choose between work and their dreams. Some startups could also consider a version of Google's famous 20% time policy, which allows employees to work on side projects for a set amount of time per week or per month. Many companies have found that encouraging this kind of "positive slacking" generates great ideas that pay off for the business in the long run.

### 4 Startups should help employees grow their careers for the long haul.

The slow-exit cycle can make employees fear they're not progressing in their lives or careers. Employers can do a lot to fight the FOMO that makes people eye other jobs. For example, more and more companies now offer coaching to a wide range of employees, even individual contributors. This makes employees feel valued, encourages them to stick around, and potentially pays off as your employees become better, more confident leaders.

Of course, you don't necessarily have to pay for a coaching service to make this investment in your workers. Managers should also discuss career goals with their teams. Maybe you'll find one team member wants to try public speaking and another wants to learn more about marketing. There will likely be easy and low-cost ways to expose them to experiences they'll value. If employees feel like they can still grow where they work now, they'll be much more patient with a long wait for an exit.



# Nailing Compensation for a Senior Executive

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AS FEATURED IN:  **MANAGEMENT  
MATTERS** NETWORK

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Hiring at the senior executive level can be tricky– and compensation is one area that tends to trip people up. It’s crucial to start the compensation phase of the hiring process with the right mindset. Rather than “What can we get this person for?”, think “What will it take to get this person on our team?”

Successful executives at the top of their field are inundated with offers, whether they’re looking or not. In this market, if you’re a startup looking for someone who can help you meet aggressive goals, you need this person more than they need you.

They could easily snag a great job at a high-profile company like Facebook or Google. You’re looking for one of the few people in the world with a track record of successfully taking companies through an IPO, building world-class brands, or doubling sales of a promising new product.



Staggering goals like these should put compensation in a different perspective. What's paying an extra \$25,000 a year if you're hiring someone you're expecting will double your revenue and/or take you through an IPO?

But too many companies approach hiring senior talent the same way they approach hiring a middle manager — when the process should be completely different. Here are five common compensation mistakes companies make when hiring senior executives:

**1 Assuming a candidate who's not working is desperate to work.**

If you're interviewing someone for a mid-level position and they've got a gap on their resume, you can assume they need the job. But at the senior level, it's common for executives to take time off between projects — because they can afford to. Maybe they just had a successful exit, or wanted to travel or be home with their kids.

Whatever the reason, you can assume that a senior-level executive is financially stable enough that making rent is not a concern. Therefore, a gap on this person's resume does not mean you can expect to get this candidate for less money or approach the conversation that way.



**2 Not letting your recruiter serve as go-between.**

The hiring process often goes more smoothly if a recruiter handles the conversation. If you're working with a recruiter you trust, let them serve as a buffer between you and the candidate. They can mediate the negotiations, keeping any tension or frustration out of your relationship with your new colleague. That way, you'll be sure to start your working relationship off on a positive note.

Recruiters negotiate offers every single day. While you are no doubt a savvy negotiator, recruiters are the ones in whom the candidate often confides because we've worked months or years to build their trust. Candidates regularly tell recruiters things about their personal situation, such as what their spouse thinks about the opportunity or concerns about taking this role over another. Finally, it usually pays to let recruiters handle the sticky conversation around compensation.

3

## Not considering the time factor when trying to land a senior hire.

Recruiters are constantly speaking with senior-level executives. As a CEO, hiring manager or HR professional, you might hire one top executive in a year. Internal teams that handle hiring for other positions at your company tend to assume, as they would for any other position, that if this candidate doesn't accept an offer, they can always get more resumes and start again.

Recruiters know that there may be four people in the world with the skill set you need for a particular role. If this candidate doesn't work out, it could take nine months to identify another good fit. Trust your recruiter to know what it's going to take to get your preferred candidate on board. We're the ones with the most current knowledge of compensation for this role, sector or industry.



4

## Expecting passion for your mission to translate into a compensation discount.

Anyone who's willing to take a risk on a smaller or earlier-stage company is passionate about your mission. But that doesn't mean money doesn't matter. Senior executives have a compensation history, and they've worked hard to get to that level. They care about your company, but they still need to be paid the current market rate for their unique skills and experience — and they can back up these requests with data. Other factors, like heavy travel for a new role, can also influence how they value a job.

Keep in mind: This person is not a founder. He or she is not getting the same level of equity as the team who's been with you from the beginning — and yet they're still taking on more risk than they would if they took a job at a more established company. Don't be offended just because they expect to be paid what they're worth.

**5**

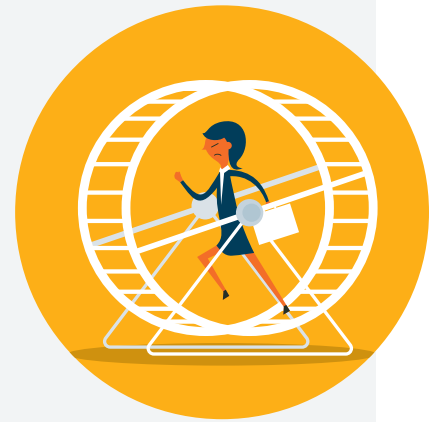
## Forgetting how stressful this process is for the candidate.

Think back to your last job shift – remember how stressful the process was? Now put yourself in your new hire’s shoes. This person is making a big decision. They’re trying to figure out what’s the right next move for their career while balancing work-life considerations like the commute, potential travel, long hours and what’s best for their family.

A role at an early-stage startup is very different from a role at a public company. Candidates are considering a multitude of factors when they consider an early-stage role. But don’t forget all the “soft stuff” they’re weighing, like where they think they’ll be most valued and happy, and which team they want to spend endless hours with.

As much as possible, companies should try to take the emotion out of their side of the conversation and respect the candidate’s decision-making process.

Again, your overall goal is to get this person on your team and start out with a positive working relationship. Taking the whole person into account will go a long way towards starting on the right foot.



**“What’s paying an extra \$25,000 a year if you’re hiring someone you’re expecting will double your revenue and take you through an IPO?”**



# When It May Be Time to Walk Away From a Potential Hire

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AS FEATURED IN: **Forbes**

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Hiring is tough when it's a candidate's market – doubly so if you're hiring for in-demand skill-sets or senior-level candidates. And that creates pressure to fill positions fast and, potentially, ignore red flags.

A prolonged search comes with real costs. A key vacancy can hold an entire team (or company) back. Product launches might get delayed, with revenue impacts. The more time your hiring team invests into multiple interviews or putting an offer together, the more pressure everyone feels to close the deal.

But sometimes you have to walk away from a great-on-paper hire. As expensive and frustrating as it is to go through a long search, it's even more expensive to hire the wrong person and watch them flame out.





Here are five signs it might be time to walk away from that almost-right hire:

**1 You can't agree on compensation.**

In an ultra-competitive job market, this problem is common. Engineers and senior-level candidates can command high salaries, and they know it. That makes it important for hiring managers to understand what really motivates a candidate. Thanks to updated legislation in California and other states, you can't legally ask about a person's current compensation. But you can and should try to determine whether they're focused most on salary, or whether you can sweeten the deal with more equity, better work-life balance or incentives that are part of the package.



The bottom line is the bottom line. You can't blow your whole budget on one hire. Do your market research on current compensation levels, then do a gut check. Is their salary demand reasonable in the current market? If so, then expect to pay up if you want to land top talent. If it's not, or if the math simply doesn't work out, it's time to look elsewhere.

**2 A key member of the hiring team raises a red flag.**

If you've been disciplined about keeping the hiring team small, you should respect that team's instincts about a candidate. Can everyone picture collaborating with this person on difficult decisions, or traveling internationally with them? Every interaction they've had with you is a data point. Don't ignore that information.

**3 The candidate isn't serious about the job.**

You can't prevent candidates from using your offer as leverage with their current employers. And some candidates may begin the process serious about moving on and then be persuaded to stay put.

Seriousness can't be gauged from the first meeting. Expect to woo the candidate and "sell" your company – remember, the market favors them, and they might be perfectly happy where they are.

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It's natural they won't come to the first interview brimming with the enthusiasm and conviction your team feels.

But as the process advances, pay attention to the candidate's responsiveness. Is this person asking detailed questions about the work environment? Do you get the sense they're envisioning themselves in the role, or going through the motions? After interviews, are their follow-up emails thoughtful, showing they're thinking about what value they can add to the team? Those signals communicate a lot about whether you're getting a fair hearing.

## 4 The logistics won't work out.

If the job involves a heavy commute, a lot of travel or a relocation, it's acceptable to ask candidates frank questions about these potential deal-killers. Everyone's threshold is different: Some people are used to an intense travel schedule or get excited about the opportunity to move to a new city. The candidate might be renting after a divorce and ready to move closer to the office. Don't assume a logistical hurdle is insurmountable, but do talk seriously with the candidate about what their new life would be like.


For a great candidate, consider ways to mitigate the issue and save the hire. Could this person work from home part-time or share the travel with a colleague? Is relocation necessary, or could one week monthly provide sufficient face-time with the team? Ultimately, if your gut says this person will burn out quickly, it may make sense to walk away.



## 5 The candidate is a talented jerk.

Here's a controversial show-stopper many hiring teams are too willing to ignore: a highly qualified candidate who's abrasive. We've heard every excuse mitigating bad behavior: "He's one of five developers in the world who can do XYZ; he can afford to be arrogant." "She's being courted by a bunch of other companies and knows she has her pick of jobs."

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Here's what's wrong with it: you're hiring for a startup. It's not a job, it's a lifestyle. For founders and senior execs, this will be an all-consuming, 24-7 job. Plan on seeing this jerk more often than you see your spouse or kids. Founders are sacrificing a lot to make this company a success, and there are zero guarantees it'll work out.

Charles Schwab CEO Walter Bettinger invites final-round candidates to breakfast – but first, he asks the waiter to mess up the candidate's order on purpose. Why? To test their problem-solving and communication skills in a grace-under-pressure situation. It's a canny way to weed out both jerks and overly passive types.

Here's an equivalent character test: observe how the candidate interacts with everyone through the process, including admins. Was scheduling with that person gracious or grating? Talented jerks know how to behave during interviews – it's outside of official interviews, to the “little people,” that they reveal their unpleasant tendencies. Life is too short, people.

Every touchpoint you and the company have with a candidate is an indicator of what it will be like to work with that person. And it works both ways – candidates are also evaluating you and everyone they interact with at your company. These interactions, big and small, help you build a profile of what that person will be like as an employee. Make sure you're paying attention to what those signals tell you.

**“As expensive and frustrating as it is to go through a long search, it's even more expensive to hire the wrong person and watch them flame out.”**



# Ready to Hire a Recruiter? 3 Things Startups Should Know

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AS FEATURED IN: **Forbes**

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As we [mentioned](#) above, if your startup is growing, you're hiring. And if you're hiring senior-level talent, you probably need an outside recruiter. Few in-house recruiters have the expertise or network that a professional, third-party recruiter offers. Whether you've just closed a funding round and you're looking to scale up, or you've lost a key team member and you need a top-notch replacement, this type of recruiter can help you find the person with the right expertise to take your company to the next level.

Many great CEOs and entrepreneurs don't know how to go about hiring a recruiter. It can be daunting to trust a challenging and high-stakes process to an outside consultant. However, there's good news: The right recruiter does much more than hire someone. They help you clarify your job requirements; educate you on the hiring market and competitive comp; and act as a brand ambassador for your company – all while connecting you to top executives who aren't looking for a job, but trust recruiters to send only the best opportunities their way.



Here are 3 tips for best practices when hiring a recruiter:

## 1 Opt for a specialist.

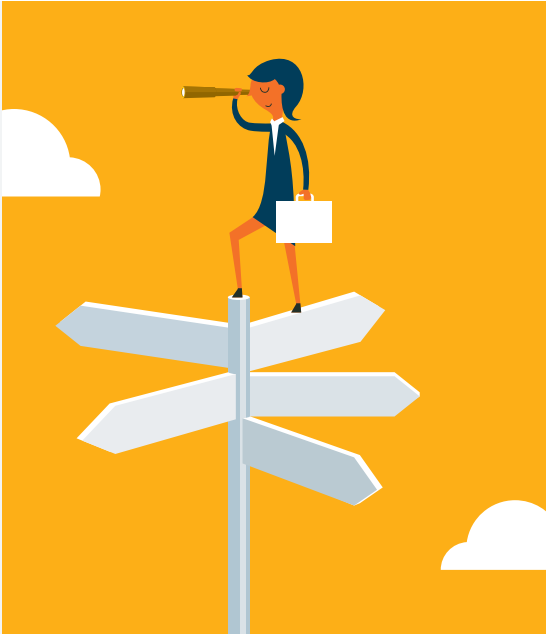
Don't work with recruiters who say "call me for anything" because it's impossible to excel at recruiting broadly. If you want to hire the best talent, you need to start by hiring the best recruiter in a particular specialty. A specialist will not only know everyone on your current list of candidates, he will have talked to each of them in the past few months. He'll have the inside scoop about each individual, like "This person is thinking about starting her own company, so she's not seriously interested," or, "This person is good, but he can't help you scale beyond a team of 50."

When you identify recruiters you like, find how much experience they have personally in that area of expertise. If their firm has done 50 CTO searches, but they've only done one themselves, they're not truly an expert yet. On the flip side, with very senior recruiters you'll want to make sure they're handling the search themselves and not assigning the work in a hands-off way to junior colleagues who are the ones who do all the actual grunt work in terms of sourcing and interviewing candidates.

## 2 Go local if possible.

Startups located outside of tech-hub cities may need to search nationally for a senior-level position. Otherwise, work with a local recruiter whenever possible. A great recruiter will represent you and do an initial interview with each candidate. You want someone who can meet candidates face-to-face and assess their executive presence.

A local recruiter is also plugged into the local network in a way that an outsider can't be. Recruiters will know and meet a lot more people in their hometowns than they would somewhere else. All that networking makes surfacing great candidates much easier.



### 3 Pay up for a retained search.

Recruiters either work exclusively for you, as part of a retained search, or they work on contingency. With a retained search, the hiring company pays a flat fee (usually in three installments), which for a C-suite role can range from \$80,000 to \$110,000. A recruiter working on contingency would only get paid if you hired a candidate they brought you, and they'd typically charge 25 percent of the person's annual compensation.

Contingency recruiting tends to be the cheaper option, which many cash-flow-minded startups like. But I firmly believe you get what you pay for.

A recruiter working on contingency can't afford to do as much in-depth work on your search as a retained consultant. They might do a quick 15-minute call to understand the hiring company's needs and its brand culture. After that, you have no control, or even insight into, how the recruiter represents your company to candidates. As we've [noted](#) before, every touchpoint in the recruiting process reflects on your brand. Make sure you're making the best possible impression.

A retained recruiter is working for you exclusively, as a consultant. They'll spend a couple of hours with you and your team, making sure they can answer any question a candidate might have about your company and the position. They'll check in with you every week and update you on the status of each potential candidate they're approaching. Plus they'll give you invaluable feedback about what candidates are saying about the role and the company. You'll find out if your CTO is constantly running late to interviews and frustrating candidates, or whether you need to refine your CEO's elevator pitch for the startup.

Hiring a recruiter isn't a cost you should attempt to minimize; it's an investment in quality. Still not convinced? Consider these two points: First, the most gifted recruiters I know work on a retained search basis only. They don't have to work on contingency.

Second, a senior-level hire usually brings a loyal team along with them. Landing the exact-right CTO can fill out your engineering team for your company's next growth phase, and you'll be equipped with a well-honed engineering machine as well as a top-notch leader. That fact makes a large recruiting fee look less like a frill and more like a smart value play.



Working with a recruiter, especially in a retained search, can be intimidating at first. But a recruiter can be an invaluable addition to your team. A great specialist recruiter knows everyone in your area who match your job's requirements, and they'll be with you every step of the way until you land the perfect person to grow your company.

## CONCLUSION:

# Let's Get to Work.

We hope this whitepaper helped you jump-start your process of recruiting the talent you need to grow. But this is just a starting point.

If you're a Battery portfolio company, we stand ready to help selectively execute searches for you at select, senior level roles. We can help you interview and match with a retained or contingent search firm from our preferred list. We regularly refer executive-level candidates to portfolio companies with open roles. In addition, we advise on compensation packages and provide market comp data. We're here to smooth employee on-boarding and team-building efforts within our portfolio.

Whatever your talent or recruiting question is, chances are we've seen it before and helped a company like yours navigate it successfully. We'd be delighted to help you as well.

Best regards,

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