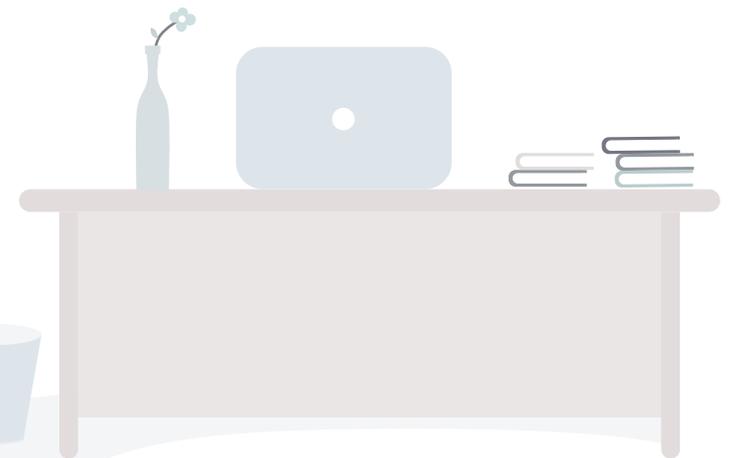




MCQUAIG PRESENTS

6 CRITICAL ROLES FOR YOUR STARTUP





Introduction

Look at you, crushing the startup game. You've made it to the growth and establishment phase, and you can finally afford to hire some full-timers. Now's the time to pass off some of day-to-day tasks to other people and get focused on growing the business at a more holistic level. But how do you know which roles are going to help get you to the next level? And more importantly, how can you find the right people to fill those positions?

To help get you started, this guide will examine the first 6 roles you should consider hiring for as your company grows. The order in which you staff these positions will vary depending on the nature of your startup and the phase of growth you're in but this list will give you an overview of why you need these positions early on and what traits to look for when recruiting. Think of this eBook as your handy HR advisor (until you hire one of your own, that is).



Hiring at a startup

Before we dive into the 6 roles, let's explore how hiring at a startup is different from hiring in more established companies. No one wants to make a hiring mistake but wrong hires for a startup can be more damaging than at larger companies with more employees able to pick up the slack if needed. Since the stakes are so high, founders need to think long and hard about exactly who they need to hire and when they need them.

One piece of advice past taken from past successful founders is to start hiring sooner rather than later.¹ New hires bring new energy with them and that drive can be infectious. Often founders want to do everything themselves and may delay in bringing on help but in hindsight, this behaviour can be counter productive as you really can't do it all. First hires can help startup creators see how much wasn't getting done or was getting pushed out. Better

yet, they can be the extra resource needed to finally get through that endless to-do list.

One big challenge founders sometimes face when hiring for the first time, however, is not being reactive. Yes, there is always a mountain of work to accomplish at a startup but you don't want to make a snap hiring decision merely because you're getting buried. **Instead, it's worth taking the time to step back and make sure you're hiring the right skills at the right level.**² Now, sometimes your ideal candidate is out of your price range so another tactic is to hire for general ability and then build a role around a strong candidate, rather than trying to fit a candidate into a position they might struggle with. And most importantly, don't go with gut instinct but try to make a quantified, informed hiring decision that will help propel your company forward.



Startups and corporate culture

When building a team, keep corporate culture in mind right from the start. It's easier to create a positive culture together than trying to shift a negative culture later. Each additional hire will impact culture, especially in the early days of a company. When interviewing, think about how a candidate would adapt to your culture or how they might struggle with it. **And keep in mind, culture comes from the top.**³ If you don't believe in it and buy in, your team won't either. So lead by example even when you are only a handful of people. Take the time to appreciate your team, recognize their accomplishments, and share in their successes. **People stay in jobs longer where they feel engaged and valued.** With startup industries being particularly prone to turnover, investing in culture can be a strategic advantage for both attracting talent and retaining it.

But what if you get a chance to hire a great candidate with tons of experience who's going to clash with your culture? While everything always depends on the immediate needs of your business, startups should think carefully about going against their budding culture. An early hire who does not support it might end up costing you more than you think down the road if their opposing view of culture starts to permeate the company's. When possible, try to look for candidates with the right skill set that will not only fit your culture, but add to it as it evolves.





Startups and onboarding

Do startups need onboarding? It's a common question considering candidates are usually joining small teams rather than large organizations. Given the hectic nature of a startup's early days, it can be tempting to kick a new hire into the deep end in a "sink or swim" sort of setting. **But if you want to set your talent management strategy up for success, then you can't afford to skip the onboarding.** In fact, the case is sometimes made that onboarding is even more important when dealing with small teams because of how closely everyone in the company needs to work together.⁴ These employees are coming to you as a blank slate and what you do on their first day will start to shape their perception of the company and its overarching mission.

It might seem like a waste of valuable hours when there's a laundry list of tasks to get through but taking the time to onboard helps new employees understand the culture and values of an organization.⁵ Paint the big picture for them so they can see where their company is headed and how they fit into that goal. Go over any rules or procedures they're going to need to get started along with any technical requirements. **And most importantly, do not underestimate the importance of rapport building with early hires.** You need a team that will have your back and share your vision. Take the time to get to know your first employees and build the bond that will boost your productivity, culture, and employee engagement.





Startups and succession planning

It's helpful to keep in mind, even as you're starting out with a new hire, what happens when that person leaves. Startups are, by their nature, more of a risky career gamble and that attracts a certain sort of candidate. While they might be all-star workers, they can also be more of a flight risk as they may jump to other startups in your field or they may decide the startup life isn't for them and turn back to established companies. If that happens, you need to have a plan. **Some think succession planning is only for large companies or only for CEO positions but it's critical to startups and small businesses too.** Disruptions like a key staff member leaving can have a huge impact for a small team, especially if they leave quickly. The last thing you want is to get caught

without knowing what projects are on the go, what needs to be taken over or migrated, and what knowledge will be lost when your employee leaves.

To properly plan for turnover, startups should take a step back and look at the bigger picture. **Take a moment to identify the most critical roles in your business and the key competencies needed to succeed at them.**⁶ Then make sure you've chosen a talent management strategy to follow and walk the talk. Implement your strategy and monitor it, updating as needed. Succession planning doesn't have to be intense, but it there does need to be a plan in order to decrease the overall impact of turnover when it happens.





6 roles to hire in a startup

Now that we've outlined some of the hiring considerations to keep top of mind when you begin recruiting, let's shift to the roles you need to fill. The remainder of the eBook will be broken down into the 6 key roles and why they are important to a small company. Each role will also include tips on what to look for when trying to fill each position. As you begin sourcing candidates, keep in mind the importance of treating all your candidates fairly in order to get the best sense of their capabilities. Using a structured interview approach, for example, will allow you to make real comparisons as each candidate will have gone through the same process. Assessments can also be helpful for startups, especially if hiring a recruiter is too expensive. Assessments can provide a deeper look into a candidate's personality, cognitive ability, and behaviour traits which can better inform the hiring decision. The bottom line is, whatever sourcing and interview process you'd like to follow, make sure it's consistent across all your candidates and you'll stand a better chance at find a stellar new hire.





Product Development

Why it's important

If you're a SaaS company, then there's probably already have some sort of development team on the go. The question is, do you have someone who can actually build and improve your product, or someone who can manage its roadmap? Because you'll eventually need both. Your current dev team is probably deep in the programming trenches making things happen. They don't have the time or desire to QA new features because they're too busy actually implementing them. They also don't have the time to field requests or plan future iterations, at least not without jeopardizing falling behind schedule. This makes a Product Lead and a Software Engineer critical to future success.

If you're not a SaaS company, the role division is similar. The person who manages production of the current product will eventually be different than the person who's designing improvements or supplementary offerings. Either way, you'll need to balance your current and future products – which means both roles will be necessary.





Product Development

Things to consider

If hiring a product lead:

- This person needs to be able to understand and develop big-picture plans for the future.
- Depending on the product, they may need strong relationship-building skills to work with vendors, or they may need a critical eye for requirements. An individual who excels in one may not be amazing at the other, so you'll need to prioritize what's more important.
- They need to be able to handle competing priorities, like implementing fixes versus adding new features.
- It'll be helpful if they naturally think outside the box to come up with new ideas or ways of doing things.

If hiring a product engineer:

- This person needs to be a specialist rather than a big-picture thinker.
- They'll likely have more success if they're strong with factual and logical decision-making.
- Someone who exemplifies those two behaviours will likely be calm and even-paced. They'll need to plan ahead, and they're great at sticking to long term plans.
- When it comes to quality, you need them to be a stickler. A natural desire to comply with industry standards or best practices will be beneficial.





Marketing

Why it's important:

If no one knows about your product or service, who's going to buy it? Without marketing, the business cannot function. As the visionary behind the company, you might have been doing a cross between marketing and sales – but you can't be a one-person show forever. Developing educational content, running targeted promotional campaigns, and continuously analyzing for improvement is a big job. Not to mention what communication channel are you going to use and when? Social, blogs, email, landing pages, website, events and more all land in a marketer's lap. How they are set up and managed can be the difference between your company disappearing with a whisper and a steady generation of leads for your sales team. While you don't need a marketer before you need a product developer, say, you will likely need one to go to market.

Things to consider:

- Marketers need to have a certain appetite for risk. They continuously need to test things, but they also have to be comfortable with having their tests fail. That's how they learn what to repeat and what doesn't resonate with your audience.
- A marketing superstar is someone with a strong numbers game. They can dig into reports to analyze what works best, using data to prove that something's working well or to indicate what should be tested next.
- Marketing has to work quickly, but they can't lose sight of what's ahead. A balance of planning and meeting tight deadlines is key.
- A marketing person who thinks beyond existing strategies can drive innovation and jump the company forward.





Sales

Why it's important:

Sales is the lifeblood of any business. If you're not selling, you're not surviving. As such, you probably already have someone who handles sales. Maybe it's you. The tough question is: are you the best person to sell your product? Maybe you can sell investors and partners on what you're offering, but future customers will need hand-holding throughout the whole buyer's journey. With all the responsibilities on a founder's plate, that's not the best use of your time. Sales people, on the other hand, can take over the business development, pitches, and ground work freeing up time and resources. They can find and cultivate leads you might not have time to follow up with or chase down and turn lost opportunities into closed business. When you're ready to let someone else take on the sales cycle, here's what you should be looking for in a full-time salesperson.

Things to consider:

- To reach a sales target, these people have to be goal-striving and competitive.
- It's often a priority for salespeople to be natural relationship builders. But if you're selling to engineers, being able to think through numbers and logic could be more important. Unfortunately, most people will be oriented towards one or the other – so you'll need to prioritize. Consider who your customer base is and think about whether your sales cycle is more transactional or if there's a need to build and maintain a certain level of trust for future sales.
- A sense of urgency is pretty common with salespeople, and that's usually a great thing. But if your sales cycle is longer, you may need to coach your salesperson on how to handle long periods of consideration before leads make the decision to purchase.
- Safe to say salespeople deal with a lot of rejection. Your new recruit should be strong-minded, resilient, and determined – even after major setbacks.



Customer Success

Why it's important:

It's a lot easier to keep an existing customer than to find a new one. You'll need recurring revenue to keep your business afloat, because new sales can only do so much. Plus, customer advocacy is one of the best sales tools – who better to vouch for your product or service than someone who loves it? To get to a point of customer advocacy, you need someone dedicated to making it happen and that's where customer success comes in. These people need to be patient and empathetic in order to help your clients work through how to use your product or handle any issues or concerns that might arise. Their job is to focus on the customer experience to ensure it's as positive as possible to keep your buyers coming back for more.

Things to consider:

- While CSMs need to be personable and supportive, they also need to negotiate pricing around renewal time. Depending on your company, you may need a CSM who's a bit more assertive.
- Generally, you'll want your customer success people to be sociable and have a knack for building relationships. But keep in mind that sociable people often need to work on their numbers game – if you expect them to record data and use it, you may need to help develop those skills.
- Part of the role of a CSM is coming up with unique solutions but another part is implementing processes and onboarding. Those behaviours come from different personality traits so be specific about what you need.





Human Resources

Why it's important:

This is where a lot of startups really drop the ball. HR can sometimes seem like a “nice to have,” but we can’t overstate its importance. This entire eBook is based on finding the right people to help optimize critical parts of your company. Without them, the company would still be just you, in a room, hoping someone picks up on your idea. Doesn’t it make sense to have someone to keep these critical people happy – and help keep them around longer? HR is required even in small companies. In fact, it might even be more important as small companies have less anonymity for employees and less distance from problems or peer issues. Without someone to hear those grievances or be a support for employees when they need it, issues can fester, damage your culture, and increase your turnover rates. So don’t leave HR to hire last.

Note:

These points refer to your first HR hire. There are many different types of HR positions, each with different requirements. As you expand this department, you’ll need more diversity. But we’re here to get you started.

Things to consider:

- Your first HR hire is going to need to be able to wear many hats. Maybe more than the founder, if that’s even possible.
- Considering that the field is labelled human resources, you’d think you should look for people who are sympathetic and able to interact easily with others. This may serve some roles well, but HR leaders also need to be able to make difficult decisions without getting caught up in their feelings. They have to be able to display empathy – but not let it rule how they operate.
- As you’ll likely only have one HR person for a fair amount of time, you’ll need this person to be able to change priorities quickly without getting frustrated.
- If a great employee experience is important, then complying with labour laws is mission-critical. You want someone who’s detail-oriented and thorough to cover your backside. But since your first hire will need to create structure where there is none, the role requires a certain degree of self-direction. These two traits generally don’t come in the same package, so you may have to prioritize.



Accounting

Why it's important:

Money makes the world go 'round. You need someone keeping an eye on the flow of money in and out of your business or you can find yourself in a mess very quickly. Hiring someone to manage your books or accounts should be one of the first team members you add to a new business. Once you start hiring more staff, you need someone who can handle the payroll, tax implication, balance sheets, budgets, and profit statements. Accounting tells you how you're doing and how much you can spend to get to the next level. Without a strong team member in this role, you're flying blind.

Note:

When we talk about an accounting position, we're referring to the position that handles payables and receivables. Your CFO or controller will be very different.

Things to consider:

- The person who's handling the purse strings should likely be a little risk-averse which might go against the usual type of candidates willing to consider startup life.
- Numbers, facts, and logic should be the base of all decisions made by your accounting team.
- It'll be tricky to find someone who exemplifies the first two behaviours and also naturally has a high sense of urgency. That's usually fine, but make sure they know how to handle the pressure and deadlines of tax season – even if it's uncomfortable for them.
- You probably don't want an accountant who hates sticking to guidelines. Go for someone who's happy to comply with policies and procedures.





Conclusion

Running a startup is hard but rewarding work. The team you cultivate will help you make your vision a reality. You need the right people in the right seats to achieve your goals and finding that team isn't easy. Hiring comes with many pitfalls and not every hiring decision is the right one. At the end of the day, you need a talent management program and hiring strategy to find the talent you need now while creating a pipeline for future vacancies. These 6 roles give you a starting point but remember, every company is unique and the order in which you fill these positions might vary depending on the individual needs of your startup. No matter what order you are hiring in, however, remember to approach your interviews with a good sense of what skills you need to reach the next level, rather than reacting to the ever increasing workload of startup life. And ensure a fair and comprehensive interview process to allow you to make the most informed decision you can. Hiring doesn't have to be a challenge when you have a solid plan backing you up.

"People are not your most important asset. The right people are."

- Jim Collins



Notes

- 1 Koloc, N. 7 Keys To Hiring Your Start-up's First Employee. Retrieved from <https://www.themuse.com/advice/7-keys-to-hiring-your-startups-first-employee>
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- 5 Hallett, A. (2019). Employee Onboarding For Startups - It Doesn't Have To Be Painful. Retrieved from <https://headway.io/blog/employee-onboarding-for-startups/>
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