Building Your Startup Team

(Typical Silicon Valley Issues & Topics)
Content

1| **Intros** – Daniel Zimmermann & E.J. Dieterle

2| Trends, A/B Prod/Team, Challenges, ideal Team

3| Responsibilities, Structuring a team, Skills

4| How to recruit, Levels, Cand-Pool, Sources

5| Different Stage/CEO, Contracts, non-compete

6| Compensation, Salary, Equity

7| Immigrant founders, interviewing (Do’s/Don’ts)
Finding People is Easy, finding the Right People is not.

WilmerHale
International Law Firm

- We are 1,000 lawyers strong, with offices in 12 cities in the United States, Europe and Asia. Our practice includes more than 300 seasoned corporate transactional lawyers and business counselors and lawyers who focus on labor and employment matters.

- The firm’s Palo Alto office represents clients in the technology, cleantech and life sciences sectors and has developed a notable practice within the startup community.

- The firm’s lawyers have represented hundreds of entrepreneurs and offer top quality legal counsel and business guidance to early-stage companies through the firm’s involvement in several incubators, university entrepreneurship programs and startup organizations.

http://www.wilmerhale.com/
Building your Startup Team

1 | Daniel Zimmermann

Daniel Zimmermann is a partner in the Corporate and Transactional Department, and a member of the Corporate, Emerging Company and Venture Capital Practice Groups. He joined the firm in 2011.

Practice

Mr. Zimmermann’s practice draws on his extensive experience in complex corporate transactions and venture technology issues. His experience includes advising emerging growth companies and technology startups on a variety of corporate governance and finance matters, as well as exit transactions such as public offerings and mergers and acquisitions. Mr. Zimmermann further counsels Silicon Valley-based venture capital firms, as well as global venture and private equity funds in their portfolio investments in the US and abroad.

Daniel’s practice also has an international focus that involves the regular representation of clients in global expansions and off-shore acquisitions by US companies. From 2007 to 2008 he was seconded to a European law firm where he worked on private equity, capital markets and venture capital transactions in both London and Munich.

Professional Activities

Mr. Zimmermann is a member of the California and New York Bar Associations and the International Law Sections of the American, California and New York Bar Associations.

He has served as Chair of the Executive Committee of the International Law Section of the State Bar of California for the 2009-2010 term and currently serves as Chairman of the Board of the German American Business Association. Mr. Zimmermann also previously served as vice president and board member of the German-American International School in Menlo Park and serves as primary pro bono counsel to the School.

Honors and Awards

Recognized as “Up and Coming” in the 2011 and 2012 editions of *Chambers USA* for his corporate/M&A: venture capital practice
# Building your Startup Team

Finding People is Easy, finding the **Right** People is not.

## 1. Selected Clients (WilmerHale)

<table>
<thead>
<tr>
<th>Client</th>
<th>Investment</th>
<th>Round</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allena Pharmaceuticals</td>
<td>$15,000,000</td>
<td>First Round</td>
<td>September 2011</td>
</tr>
<tr>
<td>Lattice Engines</td>
<td>$15,000,000</td>
<td>Second Round</td>
<td>May 2011</td>
</tr>
<tr>
<td>Merrimack</td>
<td>$77,000,000</td>
<td>Late Stage</td>
<td>April 2011</td>
</tr>
<tr>
<td>Semprus</td>
<td>$15,000,000</td>
<td>Second Round</td>
<td>December 2010</td>
</tr>
<tr>
<td>Amc10</td>
<td>$15,000,000</td>
<td>First Round</td>
<td>August 2011</td>
</tr>
<tr>
<td>Catabasis</td>
<td>$47,600,000</td>
<td>First Round</td>
<td>December 2011</td>
</tr>
<tr>
<td>Constellation</td>
<td>$15,000,000</td>
<td>Second Round</td>
<td>June 2011</td>
</tr>
<tr>
<td>Rhythmia</td>
<td>$7,000,000</td>
<td>Third Round</td>
<td>September 2010</td>
</tr>
<tr>
<td>TransMedics</td>
<td>$36,000,000</td>
<td>Late Stage</td>
<td>February 2010</td>
</tr>
<tr>
<td>Metamark</td>
<td>$22,000,000</td>
<td>Second Round</td>
<td>July 2010</td>
</tr>
<tr>
<td>KiOR</td>
<td>$55,000,000</td>
<td>Third Round</td>
<td>April 2011</td>
</tr>
<tr>
<td>Aylus Networks</td>
<td>$16,600,000</td>
<td>Fourth Round</td>
<td>June 2011</td>
</tr>
<tr>
<td>agios</td>
<td>$78,000,000</td>
<td>Third Round</td>
<td>November 2011</td>
</tr>
<tr>
<td>Laserlight Engines</td>
<td>$13,000,000</td>
<td>Second Round</td>
<td>September 2010</td>
</tr>
<tr>
<td>480 Biomedical</td>
<td>$15,000,000</td>
<td>Second Round</td>
<td>September 2011</td>
</tr>
<tr>
<td>Nanoterra</td>
<td>$17,200,000</td>
<td>First Round</td>
<td>December 2010</td>
</tr>
<tr>
<td>LINK</td>
<td>$45,000,000</td>
<td>Third Round</td>
<td>April 2010</td>
</tr>
<tr>
<td>Petra Solar</td>
<td>$40,000,000</td>
<td>Second Round</td>
<td>January 2010</td>
</tr>
<tr>
<td>Bioscale</td>
<td>$25,000,000</td>
<td>Fourth Round</td>
<td>May 2010</td>
</tr>
<tr>
<td>C2vScience</td>
<td>$6,000,000</td>
<td>First Round</td>
<td>July 2011</td>
</tr>
<tr>
<td>PFI</td>
<td>$28,400,000</td>
<td>Second Round</td>
<td>October 2010</td>
</tr>
<tr>
<td>Cerulean</td>
<td>$15,000,000</td>
<td>Fourth Round</td>
<td>December 2011</td>
</tr>
<tr>
<td>Casa Systems</td>
<td>$96,000,000</td>
<td>Late Stage</td>
<td>April 2010</td>
</tr>
<tr>
<td>DiOptics</td>
<td>$13,300,000</td>
<td>Late Stage</td>
<td>August 2011</td>
</tr>
<tr>
<td>Tetraphase Pharmaceuticals</td>
<td>$45,000,000</td>
<td>Third Round</td>
<td>May 2010</td>
</tr>
<tr>
<td>Tikta Pharmaceuticals</td>
<td>$23,000,000</td>
<td>Fourth Round</td>
<td>September 2011</td>
</tr>
<tr>
<td>Daktari</td>
<td>$10,000,000</td>
<td>Second Round</td>
<td>December 2011</td>
</tr>
<tr>
<td>Sareo</td>
<td>$15,900,000</td>
<td>Fourth Round</td>
<td>May 2011</td>
</tr>
</tbody>
</table>

1| YES Partners, Inc.

International Executive Search
(retained Recruiting Firm / “Headhunting”)
  - est. 1994 (Japan)

Recruiting Primarily Executives
(Management Staff)
  - CEO, CFO, COO, CMO, Country-Manager, President, Managing Director, V-level (VP, EVP, SVP & Director-level)
  - All Industries & Company-Functions

Clients
  - Early Stage (prefunding) Startups to Fortune-50 Companies

Source: http://yespartners.com
Building your Startup Team

1. **E.J. Dieterle** CEO & Co-Founder YES Partners, Inc

Country-Manager (President & Managing Director)
- UK, Japan, Korea, USA (270 staff, NY & NJ – now CA)

Alumni at IMD (Switzerland)

Chair for HR @ GABA (German American Business Association)

Member AHK/German Chamber USA (San Francisco/New York)

Board of Directors @ Medical Device Company (CO)

Mentor @ GSVA (German Silicon Valley Accelerator)

Member SVAngel (Tech Angel) Group – Silicon Valley

Speaker (International Business) Keller/DeVry University & Haas/UC Berkley

NACD (National Association of Corporate Directors)

Rotary Club (Club President 2009-10)
Finding People is Easy, finding the Right People is not.

Building your Startup Team

1 | References (YES Partners)
Building your Startup Team

Content

1| **Intros** – Daniel Zimmermann & E.J. Dieterle

2| Trends, A/B Prod/Team, Challenges, ideal Team

3| Responsibilities, Structuring a team, Skills

4| How to recruit, Levels, Cand-Pool, Sources

5| Different Stage/CEO, Contracts, non-compete

6| Compensation, Salary, Equity

7| Immigrant founders, interviewing (Do’s/Don’ts)
### Building your Startup Team

#### General Trends (VC view)

<table>
<thead>
<tr>
<th>Past</th>
<th>Last few years</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Powerpoint-Slides</td>
<td>Show me your ..</td>
</tr>
<tr>
<td>“Take the $$$” &amp; “do something with it”</td>
<td>Product, (IP), Prototype</td>
</tr>
<tr>
<td></td>
<td>Clients, (Traction), LOI/letter of intent</td>
</tr>
<tr>
<td></td>
<td>“the TEAM”</td>
</tr>
</tbody>
</table>
Building your Startup Team

2 | A-Prod & B-Team or B-Prod & A-Team

A-Product + B-Team

A-Team + B-Product

People always trump ideas
It’s all about ‘people’!
2| Typical Challenges (prefunding)

Founders usually technical = need Management Experience (Team & Execution)

No funds to hire people or Management

No funds for help to hire the right people (expl: Executive Search)

Should I build a team before funding?

Post-funding it is easier – due to available funds, however

pre-funding a founder has more control of the own team & the investor at the end invests in the confidence in “the team”
Building your Startup Team

2 | The Ideal Startup-Team (VC View)

“No one can do it alone, i.e. no entrepreneur is expert in engineering, marketing, sales, finance, etc. all at the same time.

Build a dream team by recruiting top flight professionals who bring track records, credibility, complementary skills and good chemistry to the team”

a VC wants to see ..

Quality & capability of a Management Team
(nearly) complete team of “A” Players
previously started & built successful companies
Know & are known in the industry
previously backed by VC’s
made money (ROI) for VC’s
Building your Startup Team

Content

1| **Intros** – Daniel Zimmermann & E.J. Dieterle

2| Trends, A/B Prod/Team, Challenges, ideal Team

3| Responsibilities, Structuring a team, Skills

4| How to recruit, Levels, Cand-Pool, Sources

5| Different Stage/CEO, Contracts, non-compete

6| Compensation, Salary, Equity

7| Immigrant founders, interviewing (Do’s/Don’ts)
3 | Whom am I looking for?

... recruiting is one of the most exciting parts of a startup ...

look for

a Shared vision/passion

Can they do what you need?

Do they have the strengths (skills) that you need?
  (not just a lack of weaknesses to avoid)

Hire people “better than yourself”!

Hire a “diverse team”
  (different opinions & background - do not simply duplicate yourself)
3 | Responsibilities (start backwards …)

8. Have clear Goals (measureable!)

7. Start “building the Team”

6. Find the person(s) with those capabilities

5. Define Capabilities the people must have (JD)

4. Define Activities of those Functional Areas

3. Group the Results into Functions (R&D, Sales s.o.)

2. Define Responsibilities for those results (& Empower)

1. Define Results needed for the company to be successful
Building your Startup Team

3 | Structuring a Team – Any Skill Missing?

- Strategy?
- Disruptor?
- Entrepreneur?
- “Artist” (creative)

- Vision
- Management
- Operations
- Engineering R&D
- “Hacker”? Disruptor?

- Finance $
- Marketing & Sales
- Customer Development

Finding People is Easy, finding the Right People is not.
3 | Whom should I hire first?

…it depends …

What skill is missing @ a time to bring you to the next step?

Sales? – or better start with someone doing Marketing?

Is a ‘large company’ person really suitable in a Startup situation?

Growing a company is an Evolution …
Building your Startup Team

Content

1| Intros – Daniel Zimmermann & E.J. Dieterle
2| Trends, A/B Prod/Team, Challenges, ideal Team
3| Responsibilities, Structuring a team, Skills
4| How to recruit, Levels, Cand-Pool, Sources
5| Different Stage/CEO, Contracts, non-compete
6| Compensation, Salary, Equity
7| Immigrant founders, interviewing (Do’s/Don’ts)
Finding people is EASY …

… but finding the RIGHT people is **not** easy!
However having the RIGHT people often determines the success (or failure) of a company.
Building your Startup Team

4 Typical Recruiting Methods by Level

- **C-Level**
  - CEO, CFO
  - CFO, CMO, COO

- **V-Level**
  - V: VP, SVP, EVP, AVP
  - Director, Director, Director

- **Manager, Manager, Manager**

- **Staff, Engineers, Staff, Engineers, Staff**

Typically retained Search (exclusive) for passive candidates could be contingent (non-exclusive) for active candidates or JobBoards.

yespartners.com · © 2012 YES Partners, Inc. All rights reserved.
Finding People is Easy, finding the Right People is not.

4 | Candidate-Pool

Looking Actively for a Position

Passive & employed

Invisible Candidates

Actively looking at Jobboards
Actively looking at Newspaper-Ads
Actively sending out their resumes

Do not look at Job-boards
Do not read Newspaper-Ads
Do not send out their resume

What does this mean?

- Companies cannot reach those Candidates
- Candidates do not hear about (interesting) open positions
- those candidates are more desired and are typically more/better qualified. (they are focusing on their work and do not look for a position)

(USA)

86% Passive & employed

14% Actively for a Position

Passive looking Actively for a Position

Do not send out their resume
Do not read Newspaper-Ads
Do not look at Jobboards
Building your Startup Team

4 | PROS & CONs by Source of Candidates

- **Passive**
  - Search Retained
- **Active**
  - Unemployed or Employed

- Contingent
  - Ads & Job-Boards
  - Social Networks
  - Universities & Alumni
  - Family & Friends

Quality of Candidates
Building your Startup Team

**Finding People is Easy, finding the Right People is not.**

### Building your Startup Team

<table>
<thead>
<tr>
<th>CON</th>
<th>PRO</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Potentially getting inundated with over- or under-qualified resumes</td>
<td>✅ Easy Administration</td>
</tr>
<tr>
<td>✅ Do Candidates really <strong>have required qualifications?</strong></td>
<td>✅ Minor Cost</td>
</tr>
<tr>
<td>✅ ‘Active’ candidates only (Push-Principal)</td>
<td>✅ <strong>Typically junior-, low- to mid-level</strong> positions</td>
</tr>
<tr>
<td></td>
<td><strong>CON</strong></td>
</tr>
<tr>
<td>✅ Does the person really <strong>have the required Qualifications?</strong></td>
<td>✅ Known risk factor (Trusted)</td>
</tr>
<tr>
<td>✅ Potential big problem if the person doesn’t work out</td>
<td>✅ No or low cost</td>
</tr>
</tbody>
</table>

**PRO**

- Known risk factor (Trusted)
- No or low cost
- Suitable often for **low-to mid-level** positions

**CON**

- Does the person really have the required Qualifications?
- Potential big problem if the person doesn’t work out

**PRO**

- Known risk factor (Trusted)
- No or low cost
- Suitable often for **low-to mid-level** positions

### Sources

- Universities & Alumni
- Social Networks
- Family & Friends
- Contingent
- Ads & Job-Boards
# Building your Startup Team

## Contingent (firm)
- **Work for candidates** *(not company)*
- Due to level of positions, usually lower contacts at Companies
- Typically junior, low+ mid-level positions
- Not really ‘Search’, Sourcing from resume-banks
- **Passive search** for **active** candidates
- Motivation low (due to difficulty of position often try to fill “easy” positions first)
- **Candidates offered to other Companies also**
- **Resumes submitted once received** *(seldom interviews/vetting – have qualifications?)*
  - 30day Guarantee
- Typically ~ 20% of first years’ total CC *(CC = Cash Compensation).*

## Retained (firm)
- **Works exclusively for company**
- Due to level positions, usually higher contacts at Companies
- Typically C (CEO, CFO, COO ..), VP-positions & Directors, + ‘difficult to fill’-positions
- **Active Search** for **passive** candidates *(targeted Search)*
- Motivation high *(exclusive contract)*
- **Candidates exclusive**, interviewed face-to-face
- **Only high calibre & matching candidates** *(Guarantee period min 90 days)*
- Global Offices *(YES Partners specific)*
- *Typically ~ 25-33% of first years CC*
- Searches managed by Lead office *(YES Partners)*
- *No upfront payment *(YES Partners specific)*

*YES Partners has also a Equity/Cash option for early Startups – please inquiry for details*
Building your Startup Team

4| How Does a Retained Search Work?

Search Methodology

- Strategy
- Interviews & Evaluations
- Client Interviews
- Negotiation

incl. current Packages (Competition & "Market")

Weekly Report
- Candidate
- Candidate

Weekly Report

Shortlist
- (qualified)
- Candidate A
- Candidate B

Ref 360
- (former)
- Boss?
- Peers?
- Staff?

Reference check (360)

Guaranty
- (3 Months)

Advantage for Companies

- Focus on **passive Candidates**
- **All** Candidates are qualified & from Target-Industries & Companies
- All Candidates personally interviewed & evaluated.
- Interviews are coordinated
- Candidates can start **from Day 1**
- Company can **focus on core business** (time & focus)
Building your Startup Team

Content

1| Intros – Daniel Zimmermann & E.J. Dieterle
2| Trends, A/B Prod/Team, Challenges, ideal Team
3| Responsibilities, Structuring a team, Skills
4| How to recruit, Levels, Cand-Pool, Sources
5| Different Stage/CEO, Contracts, non-compete
6| Compensation, Salary, Equity
7| Immigrant founders, interviewing (Do’s/Don’ts)
Finding People is Easy, finding the Right People is not.

Building your Startup Team

5 | Different Stage … Different CEO/Manager

Major CEO-Skillsets required

- Public
- Pre-IPO
- B&C round
- A-round
- Startup

“Public Co” issues
- SOX, quarterly reports

Expansion, Admin
- Setup System, Execution

Company-formation,
- Fundraising, form a “team”

Founder could become (example)
- Chairman?
- Chief Strategy
- ?
Building your Startup Team

5 | Employment Arrangements (Founder, Equity s.o.)

• How should I structure early-stage employment contracts so I can "get-out" if it doesn't work out?
• At-Will Relationship
• Voluntary or Involuntary Termination
• For Cause Termination
• Good Leaver Provisions
• Severance; Continuation of Benefits
• Non-Competition; non-solicitation (> see next slide)
• Ownership of Proprietary Information; Confidentiality
Finding People is Easy, finding the Right People is not.

Building your Startup Team

5 | Non-Compete Clause (CNC) (example “CA”)

CNC (non-compete clause = “covenant-not-to-compete”) refers to a Clause in the Employment-Contract (Offer-Letter?) saying that an employee cannot join the competition.

CNC is dependent on the US-State the employee works in (not in which US-State the Employer is located)

Example California:

Employee in CA
= CNC not enforceable

Dependent on US-State where CNC enforceable)
Building your Startup Team

Content

1| **Intros** – Daniel Zimmermann & E.J. Dieterle
2| **Trends, A/B Prod/Team, Challenges, ideal Team**
3| **Responsibilities, Structuring a team, Skills**
4| **How to recruit, Levels, Cand-Pool, Sources**
5| **Different Stage/CEO, Contracts, non-compete**
6| **Compensation, Salary, Equity**
7| **Immigrant founders, interviewing (Do’s/Don’ts)**
6 | Compensation @ an Early Startup

Typically cash-poor!

but ....
Equity-Rich

Equity

Salary
6 | Do people work for (sweat) Equity only?

Yes!

Remark:

with (small) cash ~5K$/mon = more options

Candidates qualified but require regular income (family, house/mortgage s.o.) fall out here
6 | How much Salary or Equity should I pay?
Building your Startup Team

6 | Comp Trends (SV Startups)

<table>
<thead>
<tr>
<th>Title</th>
<th>Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PreFund</td>
<td>PostFund</td>
</tr>
<tr>
<td>CEO</td>
<td>~ 10-20%</td>
</tr>
<tr>
<td>founding CEO</td>
<td>~ 10%</td>
</tr>
<tr>
<td>COO</td>
<td>5-10%</td>
</tr>
<tr>
<td>VP</td>
<td>2-5%</td>
</tr>
<tr>
<td>Independent Board Member</td>
<td>1%</td>
</tr>
<tr>
<td>Director</td>
<td>0.4-1.25%</td>
</tr>
<tr>
<td>Lead Engineer</td>
<td>0.5-1%</td>
</tr>
<tr>
<td>5+ years experience Engineer</td>
<td>0.33-0.66%</td>
</tr>
<tr>
<td>Manager or Junior Engineer</td>
<td>0.2-0.33%</td>
</tr>
</tbody>
</table>

### Salary/Equity Ideas
(compiled Pre- & post-funding)

<table>
<thead>
<tr>
<th>Title</th>
<th>Cash Comp</th>
<th>Cash Median</th>
<th>Bonus</th>
<th>% Co Equity</th>
<th>% Co. Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO Founder</td>
<td>100k-250k</td>
<td>200k</td>
<td>0-100k</td>
<td>5-20%</td>
<td>9.0%</td>
</tr>
<tr>
<td>CEO Non-Founder</td>
<td>180k-260k</td>
<td>225k</td>
<td>0-150k</td>
<td>3-7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>President / COO Founder</td>
<td>100k-200k</td>
<td>175k</td>
<td>0-50k</td>
<td>3-8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>President / COO Non-Founder</td>
<td>150k-230k</td>
<td>200k</td>
<td>0-75k</td>
<td>1-3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>CFO Founder</td>
<td>100k-170k</td>
<td>150k</td>
<td>0-20k</td>
<td>1-5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>CFO Non-Founder</td>
<td>100k-200k</td>
<td>160k</td>
<td>0-50k</td>
<td>0.5-1.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>CTO Founder</td>
<td>120k-200k</td>
<td>160k</td>
<td>0-30k</td>
<td>2-10%</td>
<td>4.0%</td>
</tr>
<tr>
<td>CTO Non-Founder</td>
<td>125k-200k</td>
<td>160k</td>
<td>0-50k</td>
<td>0.5-2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>VP Engineering Founder</td>
<td>150k-185k</td>
<td>160k</td>
<td>0-30k</td>
<td>1.5-5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>VP Engineering Non-Founder</td>
<td>150k-200k</td>
<td>175k</td>
<td>0-50k</td>
<td>0.7-1.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>VP Sales Founder</td>
<td>175k-200k</td>
<td>175k</td>
<td>0-60k</td>
<td>1.2-5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>VP Sales Non-Founder</td>
<td>160k-200k</td>
<td>175k</td>
<td>20-150k</td>
<td>0.7-1.3%</td>
<td>1.0%</td>
</tr>
<tr>
<td>VP Business Dev Founder</td>
<td>150k-180k</td>
<td>170k</td>
<td>0-35k</td>
<td>1.5-5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>VP Business Dev Non-Founder</td>
<td>150k-190k</td>
<td>175k</td>
<td>0-70k</td>
<td>0.5-1.3%</td>
<td>0.75%</td>
</tr>
<tr>
<td>VP Marketing Founder</td>
<td>140k-180k</td>
<td>160k</td>
<td>0-30k</td>
<td>1.3-7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>VP Marketing Non-Founder</td>
<td>160k-190k</td>
<td>175k</td>
<td>0-50k</td>
<td>0.5-1.2%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Content

1| **Intros** – Daniel Zimmermann & E.J. Dieterle
2| **Trends, A/B Prod/Team, Challenges, ideal Team**
3| **Responsibilities, Structuring a team, Skills**
4| **How to recruit, Levels, Cand-Pool, Sources**
5| **Different Stage/CEO, Contracts, non-compete**
6| **Compensation, Salary, Equity**
7| **Immigrant founders, interviewing (Do’s/Don’ts)**
7 | Interviewing tips

(BC - Boston Consulting: recruiting has the highest impact of any HR Function )

… when the “right person” comes through the door

Convince the person(s) of your company, vision & idea

(Many Managers do a poor job in selling the company to potential recruits)

Understand the difference of active and passive candidates

(a passive candidate is not looking for a job, i.e. he/she needs to be convinced)

NDA – request an NDA if technical issues are concerned

“Cultural Awareness” (careful: protected categories! – see slides)
### Startups founded by Immigrants

#### % nach Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor</td>
<td>35%</td>
</tr>
<tr>
<td>Computer / Communication</td>
<td>32%</td>
</tr>
<tr>
<td>Software</td>
<td>28%</td>
</tr>
<tr>
<td>Innovation &amp; Manufacturing</td>
<td>26%</td>
</tr>
<tr>
<td>All Industries</td>
<td>25%</td>
</tr>
<tr>
<td>Bioscience</td>
<td>20%</td>
</tr>
<tr>
<td>Environmental</td>
<td>9%</td>
</tr>
<tr>
<td>Defense / Aerospace</td>
<td>8%</td>
</tr>
</tbody>
</table>

#### % nach Region

- Portland: 18%
- Denver: 19%
- Raleigh/Triangle/NC: 19%
- Seattle: 23%
- Austin: 24%
- Washington DC: 26%
- Boston: 31%
- San Diego: 32%
- Chicago: 36%
- New York: 44%
- Silicon Valley: 52%

Source: Kauffman Foundation, Foreign-Born Entrepreneurs: An Underestimated American Resource
# Building your Startup Team

## Typical Job-Application Docs/Resume

<table>
<thead>
<tr>
<th>Western-Europe D, A, CH, NL, I, F</th>
<th>Eastern-Europe</th>
<th>Asia (China, Japan, Korea)</th>
<th>USA (&amp; UK)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cover-letter</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes (old: handwritten) I &amp; F= usually not</td>
<td>Not common</td>
<td>Yes (sometimes still handwritten)</td>
<td>Yes, cover-letter common (or email)</td>
</tr>
<tr>
<td><strong>Photo</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, NL,F &amp; I = not</td>
<td>Usually No</td>
<td>Yes</td>
<td>NO!</td>
</tr>
<tr>
<td><strong>CV (Resume)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, including gender, Address, DoB, marital status (old: profession/parents) I&amp;F usually 2-3 pages</td>
<td>Yes</td>
<td>Yes, incl. gender, mar/single, health. Towards foreign companies common in local L &amp; english</td>
<td>Yes, but no ref. to: gender, married?, children, religion, photo, DoB (latest position first = 1-2 pages)</td>
</tr>
<tr>
<td><strong>Performance letter</strong></td>
<td>Yes = letter from former employer. (excpt NL, F, I)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>References</strong></td>
<td>Seldom, F=4-6 former Boss/Peers I = no</td>
<td>List of references (also &quot;upon request&quot;)</td>
<td>Common (2-3) “upon request” – prior Boss, Staff or Peers</td>
</tr>
<tr>
<td><strong>Certificates</strong></td>
<td>Yes, Certificate/ schooling, education, apprenticeship (NL, F, I = no)</td>
<td>Yes, Certificates on schooling, education &amp; Apprenticeship</td>
<td>Usually not/ or “upon request”</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

- evtl. passport, blood-type & facial feature
## Interviews USA - "Don’ts"

<table>
<thead>
<tr>
<th>&quot;Protected Categories&quot;</th>
<th>DON’T even think about asking …</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>NO! (Mrs, Ms or maiden name)</td>
</tr>
<tr>
<td>Age</td>
<td>NO! (Birthday only after hiring)</td>
</tr>
<tr>
<td>Birthplace/ origin</td>
<td>NO!</td>
</tr>
<tr>
<td>Race / color</td>
<td>NO! (only after hiring – see handout)</td>
</tr>
<tr>
<td>Gender</td>
<td>NO! (only after hiring – see handout)</td>
</tr>
<tr>
<td>Religion</td>
<td>NO!</td>
</tr>
<tr>
<td>Citizenship</td>
<td>Only after hiring: about Citizenship, legal residence (handout)</td>
</tr>
<tr>
<td>Parental status</td>
<td>NO! (only after hiring)</td>
</tr>
<tr>
<td>Military service</td>
<td>Yes/No served is OK, but everything else after hiring!</td>
</tr>
<tr>
<td>Education</td>
<td>OK for schools, language skills (see handout)</td>
</tr>
<tr>
<td>Photographs</td>
<td>NO! (only after hiring – see handout)</td>
</tr>
<tr>
<td>Disability</td>
<td>NO! (only after hiring – see handout)</td>
</tr>
</tbody>
</table>

*Refer to Civil Rights’ Act & US Antidiscrimination Laws*
# Building your Startup Team

## Interviews in USA - “Do’s”

<table>
<thead>
<tr>
<th>Do …</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Use <strong>open-ended questions</strong>: (what, how, when, why)</td>
<td>This way it is not just a Yes or No answer, the candidate is forced to explain in his/her own words</td>
</tr>
<tr>
<td>2. Listen to success stories &amp; how problems are solved &amp; tackled-</td>
<td>Leadership, Adaptability, Initiative, integrity, honesty &amp; communication skills</td>
</tr>
<tr>
<td>3. Listen to accomplishments</td>
<td>indicates problem-solving skills</td>
</tr>
<tr>
<td>4. Ask for <strong>self-evaluation</strong></td>
<td>“What would your boss say about you …?”</td>
</tr>
<tr>
<td>5. Be prepared to <strong>share expectations of company</strong></td>
<td>example: goals+ targets of the company</td>
</tr>
<tr>
<td>6. Ask the <strong>same</strong> basic questions to <strong>all</strong> applicants</td>
<td>..so you don’t discriminate against anyone</td>
</tr>
<tr>
<td>7. Take <strong>detailed notes</strong></td>
<td>.. To keep track of individual candidates ..</td>
</tr>
<tr>
<td>8. <strong>Don’t write comments on resumes</strong> (Assume your notes are public ..)</td>
<td>Yes, they can be. (in court)</td>
</tr>
<tr>
<td>9. <strong>Keep notes job-related</strong></td>
<td>You never know who might read it</td>
</tr>
<tr>
<td>10. <strong>Avoid any references to “protected categories”</strong></td>
<td>(age, race, color, sex/gender, religion …)</td>
</tr>
</tbody>
</table>
Building your Startup Team

7| Presenters

Daniel R. Zimmermann, Esq.
WilmerHale
Palo Alto, CA
www.wilmerhale.com

Email  daniel.zimmermann@wilmerhale.com
Office  +1 (650) 858-6034
Cell (US)  +1 (650) 283-9629

“EJ” Dieterle
YES Partners (Inc).
Menlo Park, CA
www.yespartners.com

Email  ejdieterle@yespartners.com
Office  +1 (650) 726-8733  x701
Cell (US)  +1 (650) 704-9869