

STEVE
GUENGERICH
PRESENTS

NATURALLY CAFFEINATED

THE COMMUNITY EDITION



PEOPLE AND CULTURE

THE PEOPLE IN A VENTURE MAKE ALL OF THE DIFFERENCE. A STRONG TEAM, WORKING TOGETHER, CAN OVERCOME MANY OBSTACLES. BUT, WITH THE POPULARITY OF ENTREPRENEURSHIP, IT'S NOT UNUSUAL TO HAVE MORE AND MORE PEOPLE JOINING THEIR FIRST STARTUPS, AFTER HAVING WORKED IN MORE TRADITIONAL, ESTABLISHED COMPANY SETTINGS.. NOT QUITE KNOWING EXACTLY WHAT TO EXPECT OR HOW TO ACT.

HOW DO YOU CHOOSE THE RIGHT TEAM MEMBERS? HOW DO YOU ENSURE THAT EVERYONE (INCLUDING YOU) CAN CONTRIBUTE TO THE VENTURE'S SUCCESS IN THE MOST ADVANTAGEOUS WAYS? ARE THERE DIFFERENCES BETWEEN LEADING A START-UP AND ANY OTHER VENTURE?





FROM

STEVE PAPERMASTER

Chairman and CEO at Powershift Group. Co-Founder at Appconomy. Co-Founder at Nano Global Corp. Advisor at Neusoft. Co-Founder at JUCCCE.

LEAD, FOLLOW, GET OUT OF THE WAY

My advice in entrepreneurship is to work with people who you know can handle leading, following and getting out of the way. The hallmark of good leadership is to be able to do all three. This is especially important when stakes are high. You want to encourage people, especially when starting and building companies, to really listen, participate, observe, converse, and educate themselves – all of which will help decide which position to take and when.

Of course, there will always be disagreements. While somebody has to be decisive on issues and call the shots, sometimes the best thing for a company is to have people who can fall in line. If the time for voicing differences of opinions is up and there is a strong stance of what needs to be done, it's important to have everyone else move together.

STEVE PAPERMASTER

The worst thing is passive aggressiveness, where people nod their head and say, "Fine," and then undermine the decision, which means it's not going to work. You can't have back-channeling or backstabbing. It's not efficient and things can't get done.

That's why checkpoints are helpful. Scheduled or impromptu meetings give people the chance to air out disagreements and begin to move forward. It can also be about just checking in to see how things are playing out. It's important to ask for thoughts and other feedback because constant communication can help make a more refined decision. It's important that everything be on the table and out in the open. All of these are examples of showing that you're listening and engaged.

I'll share an example from government officials, because forming teams of leadership is also entrepreneurial. Hillary Clinton was soundly defeated in a very difficult race by Barack Obama in the 2008 Democratic Primary. When he became president, he turned around and asked her to become Secretary of State. As a result, she moved from trying to compete for being the top leader in the country to accepting the role of being an advisor and a follower to President Obama in that situation – while at the same time leading as the Secretary of State, as well as (theoretically) getting out of the way on other issues.

Politics are full of that. When Ronald Reagan became president, he defeated his former rival, George H. W. Bush. He then turned around and asked Bush to be his vice presidential running mate.

Very good leaders also understand when it's time to be followers. You can be both a follower and a leader, and you can also get out of the way.

FROM

BARRETT PARKMAN

Mobile Industry Entrepreneur and Connector. Co-Founder at Great Wall Club (GWC), Co-Producer and Program Curator at GMIC. HAXLR8R Mentor.

ON CULTURE FIT

Building a team and culture is the most important job of a founder. Even if you are a Steve Jobs-type visionary, you cannot change the world - or even your industry - without a team that is closely aligned with your mission and values.

In the cult movie "Fight Club" there's a scene explaining the rules beginning, "The first rule in Fight Club is, you do not talk about Fight Club. The second rule is, you do NOT TALK about Fight Club."

In a similar way, my advice would be that the first rule in hiring is, hire based on the cultural fit of the candidate with your mission and values. Similarly, the second rule is, hire based on the CULTURAL FIT of the candidate. Only then, with the third rule, would I recommend you focus on the candidate's skills and experience for role you are hiring. Compromise on this rule regarding cultural fit, and you are likely to regret it, not far down the road.

Hiring a teammate that doesn't fit your culture is like attempting to force a square peg into a round hole. My experience is that such a misjudgment will cause you to spend a disproportionate amount of time helping the employee fit in. It may even seem to work for a time, although at great cost to you (and possibly others), in time and resources.

Eventually, though, I find that the team will suffer, the employee will leave unhappy, and you'll be back where you started - with an empty hole in your team.

STEVE SAYS...

Culture is king. Or, as management pioneer Peter Drucker was attributed to have said, "Culture eats strategy for breakfast."

Either way, it's critically important that every person in an organization fit the culture



FROM

JIMMY TREYBIG

Venture Partner at New Enterprise Associates. Founder and CEO of Tandem Computers.

LIAR'S DICE

In the beginning, we taught every developer to play "Liar's Dice." This is a game where the first player would roll the dice in an upside down cup, then peek at the results, and declare a "hand." A developer might peek and say, "Three fours!" Then the next person has to decide whether to accept the call or challenge it. If he challenges and is wrong, he is out and loses his bet. If he chooses to roll, he can peek at the dice, and choose to reroll some or all of them, but he must make a higher call. In the beginning, everyone thinks it's a game of probability, but it isn't. Once the dice are thrown, the call is either there or it isn't... and the story is in the eyes and the sweat of the potential liar. In my view, this game teaches people to assess risk and reward, and deal with the consequences. It shows them that small bets rarely win and that some people are fantastic at bluffing and others aren't. It's a really good way to get to know someone under just a little bit of stress. And it prepares people to take bold action at pivotal moments.

118



FROM

NANCY SCHREIBER

Dean at the Munday School of Business, St. Edward's University. Former Associate Dean at Undergraduate Business Programs at University of Dallas.

LET PEOPLE KNOW THEY MATTER

When leading new ventures, it's critical to show your investment in others. Focus on your organization's intellectual capital by supporting professional development that supports your strategic objectives. Set clear expectations on performance and influence your superiors to get people the resources they need to do their jobs more effectively.

119

Being transparent and direct with people is critical, and sometimes that requires unpleasant conversations. It is possible to have an unpleasant conversation and still show people they matter. In my four months as dean at The Bill Munday School of Business at St. Edward's University, I have said, "My number one priority is you." Do I think they believed me? Not initially, not completely. And that's normal. In the beginning, everyone experiences trust issues. Can employees trust you? Can you trust them? Gaining and earning trust is an important part of effective leadership. I consider every day an opportunity for me to earn that trust by showing competence and commitment – and an opportunity to see those qualities in others.



FROM

LYNETTE REED

Founder at Where Expectations Meet Reality. Writer, researcher and advisor on human potential for personal and organizational development.

HOW TO BUILD A TEAM

There is a show called "Ace of Cakes" that you can watch on Netflix. It chronicles the weekly operations of a cake-making venture where Duff, the "boss", and his team of talent work together to create unique and highly technical cakes for customers, ranging anywhere from individual birthdays to major corporate events.

Sometimes the individuals work solo and sometimes they work in teams. The goal is to try and combine the best talents of each individual in order to complete any given cake order at the highest quality. To me, this is a perfect example of how to start a business and then add individuals who have the skills needed to make the business successful, AND are also committed to working together and keeping the focus on making exemplary product.

LYNETTE REED

My work has given me the opportunity to see firsthand the value that human capital can add to any organization. Here are some key points I have found to be consistent with hiring strong talent and building a cohesive work culture:

1. Find, hire and manage employees based on three aspects of the job: "what they will do", which defines the required skills, commonly captured in the job description; "how they will do the job", which describes desired behaviors such as teamwork and leadership; and a third area, "who they are while doing the job". These are personal attributes that define a work style (e.g. kind, helpful, energetic).

If these three areas are cohesive with the "feel" you want to give your organization, then there is a better chance that your human foundation is stronger and more able to bring quality to the customer.

2. Make sure words and actions match. Skills, behaviors and work style should work cohesively within the individual and across the team.

3. Keep the focus on the goals. Don't let people pull energy away from making your venture something stronger or more cohesive. Energy spent complaining, being upset, or harboring negative feelings is energy taken away from creativity and execution. It sucks energy from everyone. Well-being plays an important role in success, so pay attention to it. (See Gallup studies on disengaged employees and the New York Times article on the value of happiness in the workplace).

FROM

HANK STRINGER

CEO at Stringer Executive Search. Co-Author of "Talent Force: A New Manifesto

For the Human Side of Business." Founder at Hire.com.

BE AWARE OF WHO YOU ARE

First-time founders should go into their start-up understanding and accepting that, more than likely, they are not a CEO. It doesn't mean that they can't become one or that they naturally lack the skills. But, initially, the key is to find a role where a founder can play to their strengths – in marketing, sales, technology, whatever – so that they can remain excited and evangelistic about the company and its products or services.

So, to new founders, I say, "Be aware of who you are." Ask other people you trust for their opinion. As a result of those discussions, understand your deficiencies. Find ways to compensate for and overcome them. It may take a day or it may take ten years.

Finally, always be watching and listening for opportunities to grow, whether they are deliberately planned – like an executive development workshop – or they are completely spontaneous – like a chance encounter with someone you don't know. I had such a chance encounter with a young man who walked up to me three separate times at a conference, politely insisting that I should hire him to intern in sales for my company. I finally relented and, two weeks later, I was introduced to the young man's father, who became a consultant, an investor, and ultimately the CEO of my first tech company.

STEVE SAYS...

The ability to accept criticism is an absolutely fundamental quality for success. Even better is creating an atmosphere where soliciting and encouraging criticism is a standard operating practice for everyone.



FROM

JOE MILAM

CEO of AngelSpan Inc. Founder and Former President at Legacy Capital Management. Founder at Angel Legacy.



FROM

AMBER BE ZAHLER

NextGen CMO/Design Leader, THNK - School of Creative Leadership, TechBA. Entrepreneurial executive with over 20 years of experience.

DON'T FORGET EXTERNAL STAKEHOLDERS!

Entrepreneurs sometimes forget to communicate properly with external stakeholders such as investors and partners. In crafting a communications strategy, they need to consider:

Content - are the messages written in a way the intended audience can grasp the essence and status of the company? Is the language in 'reader-speak' or 'entrepreneur-speak'?

Context - are the topics the right ones that cover the broad areas necessary to create confidence that the company is being built properly, regardless of the idea or technology (review the Bell-Mason Diagnostic for more details)?

Cadence - are updates frequent enough to efficiently update stakeholders and investors? Can they quickly get up to speed without having to spend too much time on each update or company they monitor?

ENGAGE EVERYONE IN THE VISION

It's really important that everyone – team, partners, customers, and other stakeholders – understand the evolving vision. It needs to feel inclusive and stakeholders need to feel like they're on board for the ride. They should never have to hear significant changes to the vision secondhand, when things have shifted.

This is especially important in a fast-moving, start-up-oriented situation, because people often feel like they signed up for the initial mission, but then circumstances require that the vision radically changes over the course of a year. If you don't bring them along, step-by-step, they can feel alienated.

**THE STORIES FEATURED IN
THIS BOOK COME FROM:**

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