Stakeholders Motivations, Equity Strategic Decisions and how they affect the Team Dynamics, Funding and Success of a Startup

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Abstract

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This thesis will analyze different considerations that influence the valuation of a startup, and how different decisions at different stages of development, affect the probability of success, as well as how it will influence the perception and valuation of the startup by investors and potential stakeholders. This will take into account the funding of angel investors, evaluate what they look for in a company to make investments, as well as the perspective of venture capital.

During his studies in Finland, the author has attended different business events, conferences and books, focusing on the creation and financing of startups, how to attract talent and develop a compensation package that is financially efficient and decreases risks for the startup while motivating the employee and co-founders to continue giving their best, while taking care of their living needs in a fairly comfortable way.

The objective of this thesis is to learn what considerations to make when making a decision, agree with the terms of acquisition for employees and co-founders, as well as for investors. Learn how different decision making processes within a business affects each other and affect the probability of success of a startup, at first, one focus of the thesis was how to maintain control, however after researching and studying, you learned about motivations, control versus wealth and how the decision-making process must be aligned to create success.

We examine the motivations of different investors and what they see in a team and founders; How different the founder's talents can be applied at different stages of startup development, when those abilities and motivations can be detrimental to it.
We analyze the decision-making process taking into account the motivations, perceptions and dynamics among all different stakeholders, including the founder himself. The most important conclusion of this study is basically to be aware that the decision-making process is aligned with the motivations of different shareholders, this is what will ultimately result in the highest probability of the startup succeeding.

And in the event that the motivation is the wealth, creation and financial success of the first startup, you can bring the financial means to then create other startups more motivated in control, with the aim of creating the dream of having an umbrella corporation that positively affects the world in several areas.

Keywords
Valuation methods, corporate control, Anti-dilution, Vesting, Financing strategy, dilemmas, startup, stakeholder-motivations.

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1 Introduction

In this thesis we will try to consolidate different aspects and variables of business creation and growth, however emphasizing the financial and legal aspects, we are trying to find the most optimal strategy to create a business, we will explore how to choose investors or how to make the company attractive to investors, what they are looking for and their interests, taking into account the need to maintain control of the company, attract the best talent and make them stay and do their best work to make the project happen; Instead of focusing on the leadership aspects for employee motivation, we will put a little more light/emphasis on stock packages, shareholder agreements and award terms, in order to align the interests of each stakeholder in the company, with the vision mission and efficient and smooth growth of the company.

We will explore the different stages of growth, the different funding terrains and the qualitative and somewhat quantitative aspects of them.

Qualitative: what investors are looking for, what are the interests of different types of investors, taking into account, for example: how venture capital funds are structured and opportunity costs for investors.

2 Thesis objectives

The objective is to know the most effective processes to build a start-up, taking into account the motivations of the founders, investors and all conceivable stakeholders, as well as how the environment of investors in start-ups works, and analyze the dilemmas in decision making, motivations for the different stakeholders, and create an efficient strategy to finance it, and acquire the network to provide the necessary resources to achieve success in the creation and growth of a startup.

How to make it attractive to investors and potential shareholders so that the business can accelerate and expand quickly, in the most fluid and efficient way possible.

2.1 How to maintain control of the company?

Shareholder agreement, preferred share repurchase options, different types of stock, with different voting privileges.

2.2 How to evade dilution

This is related to maintaining control of the company when more rounds of investment come in.

2.3 What sources of funding?

Loans, venture capital, angel investors, own money, need to weigh the cost of capital, taking into account the risk-free rate, and also taxes, debt is used to leverage the initial investment, however, it adds risk, also the weighted average cost of capital decreases with the corporate tax rate, so an analysis of different tax rates and interest rates for loans in different markets could be done.

There are also funds provided in Finland and other countries to stimulate new companies, different countries offer different stimuli and have different conditions, it is usually that a business unit of the company operates in such countries, however, that money can be used as leverage to obtain stimulus money in other countries, although it adds complexity in the mix, Hence the management costs

2.4 What are investors looking for in a company?

In general, investors look at the team, experience, attitude, market size, scalability, growth of future cash flows. (Appendix 1.1.1 and 1.1.2)

2.5 How to value the company?

One of the most popular methods is discounted cash flow, where expected future income is discounted by the free-market interest rate, the market free interest rate is the minimum risk interest you would get by investing the money in the market, "In practice, however, the risk-free rate does not exist because even the safest investments carry a very small amount of risk. Therefore, the interest rate on a three-month U.S. Treasury bill is frequently used as the risk-free rate for U.S.-based investors." (Investopedia, risk-free rate)

2.6 How to forecast growth in a convincing way for investors?

There may be a comparison with other companies that share similarities, and look at the growth they have had, to make growth comparisons. Also analyzing the market size, we could make projections taking in consideration the proportions of market size and growth of other companies in the past which share those similarities although being in different market sector.

2.7 How to create the team, financial ways to encourage them to perform well and continue with the company?

Rights acquisition contracts (vesting), usually for the purpose of incentivizing employees, are based on performance-based rewards, such as stock packages or bonuses.

3 Delimitation.

We will focus on trying to answer the following questions: What rises the valuation of the company in the eyes of the investors? What kind of team we need, how to select them? How to negotiate, and when to negotiate equity and how it affects the valuation?

To do this, we need to know what different investors are looking for, what metrics they are used to, **the level of profit that** they expect, how to make the team attractive for them to invest in, what **kind of expertise** and networks investors can bring in addition to money.

The main release is to know what the investors are looking for, what incentivizes them, get their advice, as well as how to encourage people to get on board.

Study the process and negotiations to design a **package of distribution of Stock** that incentivizes people to give the best of themselves and incentivize creativity. The selection of people to come on board is one of the great challenges, along with making the compensation packages attractive enough for them to **prioritize** this project.

We will also look at different sources of funding and different motivations behind them.

4 Theoretical framework

4.1 Sources of funding

4.1.1 Venture capitalists

VC´s usually invest more than 1 million, and they expect at least 10+ times their return on exit, given that the odds are usually 1 in 10 of successful startups, therefore they need to make up for the losses of their investments through the successful startups, VC funds usually have expiration dates Usually 8-10 years, which is the time they wait to make their profits; therefore it is customary for VCs to pressure owners to sell when they want to go out and profit. (Appendix 1.3.1)

Award-contracts (Vesting), to prevent entrepreneurs or team members from leaving the company, offering performance-based equity, for example. milestones reached, or working time in the Joint Undertaking to release equity after the milestones have been reached, whether it is time working on the company's milestones or on achieving milestone objectives, this serves as a motivator to stay and work judiciously in the company.

Venture capital funds are usually started by entrepreneurs who got wealthy and convince other investors to invest money in the fund, several funds may have the same management team.

In general, VCs have *an exit strategy* , and they are more frequently concerned with liquidating their stock when they see fit, one should be aware of their motivations, they usually have carry-over and labeling(Drag along and tag along) clauses that are designed to force sale and exit. (Appendix 1.3.1)

Important points about VC in Finland (Appendix 1.1.2) In Finland, in general, an introduction from someone you know and trust is the best way to approach them, It takes 2-3 months on average to close the investment round, VC prioritizes companies introduced by someone else, from now on it is important to try to find a common connection, Being in Finland is good because the community is small and networking can be more effective!!!

VC Need to think that the company will grow or else it does not make sense to invest for them, given the rate of return they expect and the amount of

investment they make. VC expect you to know the market and competitors well.

4.1.2 Bank loans

In Finland, Finnvera offers government guarantees for commercial loans to banks, they analyze the business case and, if they find it viable, they offer to pay the banks in case the business fails.

4.1.3 Angel investors

They are people who have money and seek to make it grow usually these are successful entrepreneurs who became somehow rich. (Appendix 1.1.1)

4.1.4 Government stimulus programs

There are programs to stimulate growth and entrepreneurship in the economy, in Finland, Business Finland (formerly TEKES) offers programs that give you cash once you have certain requirements like having certain amount of money available to invest in the startup, such money can come either from Equity (own money, friends and family money) or even from credit that banks or others are willing to lend for your venture (Appendix 1.1.3). There are other countries such as Malta that offer similar schemes to encourage new companies to establish themselves in their jurisdiction and stimulate growth.

4.2 Anti-dilution strategy

"An anti-dilution provision shields investors from dilution of capital(equity) position, something that occurs when an owner's percentage proprietorship a company diminishes due to an increase in the total number of stock outstanding. The entire outstanding stock may increase due to the issuance of new stock due to an equity funding round or perhaps because the proprietors of existing options exercise their options. Sometimes, the company receives enough cash in trade for the stock that the surge in the value of the stock counterweights the effects of dilution. Habitually, this is not the situation.

4.2.1 Example of anti-dilution

In venture capital investment, dilution is a fear for preferred stockholders, as a subsequent release of stocks at a price lower than their present stock would dilute their total proprietorship Anti-dilution clauses prevent this from happening by fine-tuning the conversion price between preferred stock and common stock. These clauses are also *known as* ***pre-emptive*** rights*,* subscription privileges, *or subscription rights.* (investopedia.com) that are a clause in an option, security or merger contract that gives the investor the **right** to maintain his percentage of proprietorship of a company by purchasing a proportionate number of stocks of any future release of the security." (Invest answers.com)

4.3 Stock splits

Here are things to take in consideration when deciding when to do the capital split:

Split earlier	**split later**
Attrack key players who need equity incentive	Learn about cofounders' contributions
If already worked extensively with cofounders in another startup	Solidify Startup strategy and Business model
Negotiate calmly before you are under pressure to split	Learn about cofounders' commitment; strenghten incentives
	Avoid continual renegotiations as things change
	Solidify Roles

Figure 1: advantage differences in splitting timing (Wasserman, 2013, 218)

4.3.1 Idea Premium:

"In fact, there is a statistically meaningful idea premium: all other things being identical, people with ideas obtain 10 to 15% more equity than people who have not ideas. In addition to rewarding this previous contribution, the idea premium may also be a recognition that the idea person might be more likely to contribute more with important ideas in the future and make other inputs that are entwined to having been the

person of the idea." (Wasserman, 2013, 223).

The specific size of the idea premium varied somewhat by industry and type of regression model, however always came down within the range of 10-15 percentage points. Variations within this range may also be due to the difference in ideas: well-developed, sharp ideas that are fundamentally new should obtain more of a premium than new ideas that are less cutting-edge. This estimate of the idea premium was also established by deeper analyses with Thomas Hellmann of 2008-2009 dataset." (Wasserman, 2013, 724)

"For teams where it's clear which founder had the idea and that the idea is treasured, resentment may be risked within the team if they don't reward at least a small idea premium to their idea person. Even if the idea person is initially willing to give up the payment to evade putting sand under the non-idea co-founders' saddles, it may be at the cost of putting sand under the saddle of the idea person, -that is, introducing friction that rises over time. This sand will continue to irritate as the idea person's resentment grows for not being remunerated for having the idea, therefore creating a source of tension within the enterprise." (Wasserman, 2013, 266)

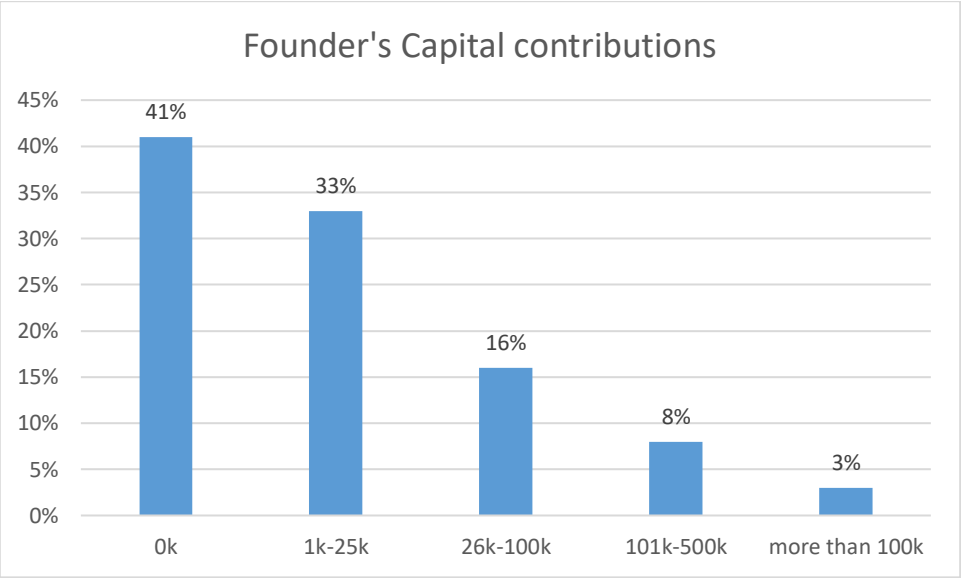


Figure 2 Founder's capital contributions (Wasserman, 2013, 225)

Quantitative results showed that "close-to-identical" founding groups tended to divide the stock identically, while more heterogeneous teams

were more inclined to divide it unevenly. This is consistent with the "sand under the saddle" wisdom that triggering friction within “close-to-identical” teams can backfire, steering aforementioned teams to split identically and evade high-voltage negotiation. (Wasserman, 2013, 278)

"Of the identical dividers, 60% of the groups spent a day or less negotiating the capital split, while only 39% of the unidentical dividers made their decision so quickly." (Wasserman, 2013, 279)

"Controlling for a broad assortment of differences amongst teams and startups, fast identical teams received significantly lower valuations than slow-even teams and uneven divider teams, affording credibility to anecdotal evidence that there is an actual difference between teams engaging in serious debate about the division of stock and those avoiding such a dialogue" (Wasserman, 2013, 280)

Even the "supreme control" apparently granted by a 51% stake in the capital is not unconditional and may not hold you on the one hand, a 51% stock stake does not assure straight control of all decisions. Major decisions, such as the sale of the corporation's assets, are left to the vote of shareholders; Here, the founder with a 51% stake has absolute control. However the next level of key decisions is in the hands of the board, which is elected by shareholders (who may also have seats). As the number of directors increases, the stock stake needed to elect a director decreases. Most significantly, the board selects the CEO, who controls the third level of resolutions, including supervision of day-to-day operations.
In any case, for teams that plan to raise at least one round of external financing, the power of 51% of the capital will be only temporary. As soon as the team gets some outside funding, the 51% stake will be reduced to less than 50% and that founder will have to build a coalition with other shareholders to get away with it.

While the pros of a formal a contract are obvious, there can also be

minuses *(contras).* For example, overly stiff contracts can lock parties into agreements that do not allow for amendments as environments change, and overly itemized agreements can demoralize trust by avoiding unprompted displays of good intents. In formalizing the agreement, founders must also foresee future tax or legal issues that could be shunned if handled properly. (Wasserman, 2013, 286)

Professor Scott Shane reports that "nearly one-half (49%) of new company founders revealed that their business ideas had been transformed between the time they were first identified and the time they were surveyed about them."(reference== Such modifications can cause significant changes in the setbacks the startup faces, the abilities necessary to address those setbacks, and therefore the roles that each founder (or perhaps a new founder or non-founder) will have to play in constructing the startup

On an individual level, as the strategy and business model change, the abilities of some founders become more important than the abilities of others and roles frequently change. As each founder learns about the stresses of building a startup, reflects on their motivations, and sees how well their abilities address the needs of the startup, their commitment to the startup may change. Founders also come to understand the abilities and commitment of others on a much larger level than was conceivable at first. (Wasserman, 2013, 288)

"One-half of the teams had not included any dynamical elements (award/purchase terms and the like) in their investment agreements, condemning them to the same risks faced by the Zipcar and govWorks.com teams." (Wasserman, 2013, 291)

"Dynamical division of equity rather than static divisions" (Wasserman, 2013, 291)

	Phase 1: Jun- Aug 2023		Phase 2: Sept-Dec 2023		Phase 3: Jan-Apr 2024		
Weighting	40 %		30 %		30 %		*Wighted*
Founder	*Contribution*	*Equity*	*Contribution*	*Equity*	*Contribution*	*Equity*	*Equity Stake*
Efrain	Identification of Opportunity; Define Business Strategy; Fundrising	51 %	Investor management	33,33 %	Same	33,33 %	39,22 %
François	Hardware physical prototype, Circuit design contribution	24,5 %	site improvement	33,33 %	Same	33,33 %	30,39 %
Lucia	Software coding and helo with circuit design	24,5 %	Marketing management, Site improvement	33,33 %	Same	33,33 %	30,39 %
Total		100 %		100 %		100,0 %	100,00 %

Figure 3 Template for splitting equity

Even though co-founders can disagree with details in the template, the template provides a structured approach to discussing an assortment of complex factors, thus facilitating team renegotiation.

A structured approach can also be useful as a check on the natural propensity to overemphasize palpable considerations at the expense of impalpable considerations that can have a larger impact on group dynamics and startup success. For founders, and for researchers, previous inputs are usually easier to evaluate than future contributions, money inputs are easier to evaluate than inputs to perfect the idea, and abilities are usually easier to assess than engagement and motivation, however teams must look for mechanisms that allow them to discuss and balance this extensive assortment of factors. By developing a template together, a founding group can also shift its attention from disputes over specific numbers to a more beneficial process to concur on principles, come to weightings, and negotiate duties and accountabilities. (Wasserman, 2013, 294)

4.3.2 Terms, Contingencies and Trust

Dynamical equity deals can make use of a diversity of approaches, such as terms of purchase (in which a founder's stake can be purchased on terms previously negotiated by the startup or by other founders) and rights acquisition schedules. In essence, however, all of these structures are geared toward dealing with the uncertainties inherent in startups. (Wasserman, 2013,

295)

Deepak Malhotra has developed a common method of classifying the diverse types of uncertainty convoluted in contracts as "knowns" (whose results are already well-known or assured), "known-unknowns" (situations for which one can foresee the occurrence, however not the result), and "unknown-unknowns" (any complete surprises the future holds). These three manners of uncertainty can be attended by terms, eventualities and trust, respectively." (Wasserman, 2013, 296)

"Known-unknowns can be deal with through the use of contingent provisions that contour how the capital divide should change for various worst-case, anticipated and best-case situations." (Wasserman, 2013, 296)

However, in the high-uncertainty realm of startups, many things can fall into the classification of unknown-unknowns. The first step in dealing with them is to work thoroughly to identify as many as conceivable and discuss how things ought to change if such an episode occurs; that is, to turn the unknown-unknown into known-unknown. For example, no one could have foretold that Microsoft co-founder Paul Allen would be diagnosed with Hodgkin's lymphoma, however any founding crew can plan for the prospect that one of its members will suddenly be forced to shrink or leave for health or personal causes (Wasserman, 2013, 297)

It doesn’t matter how painstakingly teams try to turn the unknown-unknown into known-unknown, there will still be surprises and distresses. In those moments, the team need to rely on the trust that has been established between the members. Such trust, if it has had the opportunity to strengthen itself before tension-filled issues arise, allows co-founders to behave outside their direct self-interest, beyond the call of duty, trusting that, in the long run, they will reap as they have sown. (Wasserman, 2013, 298)

The willingness to communicate openly with their co-founders and adjust equity holdings in the schematic to meet their needs enhance confidence within a team. Therefore, the tension-filled, high-stakes stock split negotiations is by itself a double-edged sword, an experience that can leave the team wiser, stronger, and more integrated, or it can emasculate trust inside the team. (Wasserman, 2013, 299)

4.4 Protecting yourself from your co-founders: self-imposed acquisition rights (Vesting).

The acquisition of rights (Vesting) is the most common type of dynamical capital agreement. Acquisition terms require founders to earn their equity stakes, either for a specific time or when they achieve specific targets, rather than owning the stock early on, as is the case with static stock divisions. Founders who leave a startup before their stock has been fully vested must cede the unacquired portion to the startup or its co-founders, either by transferring it to the co-founders who will continue to construct the value of the startup or by allowing them to reassign it to someone who will replace the founder who left. Thus, acquisition terms help serve as "golden cages" that give founders financial encouragements to continue contributing to the startup, rather than abandoning while "complete equity stake is maintained," or aid to safeguard the remaining founders when one of the founders departs. The acquisition imposed by the founder also allows senior founders to test whether their potential co-founders intend to stay in the startup for the long term and set expectations about participation and roles. If Robin Chase had used vesting with his co-founder, he might have learned from the response if Antje premeditated to join the startup whole-time. (Wasserman, 2013, 301)

4.4.1 Types of acquisition/vesting.

The two main types of vesting are time-based and goal-based. With time-based, each founder who actively participates in the startup, wins predetermined slices of their equity stake as each month, quarter, or year passes. This type of acquisition assumes that the passage of time approximates value accumulation to the startup, an acceptable conjecture as long as the work proceeds according to plan. However, when work progresses slower than intended, as is frequently the case, founders can earn complete equity stakes long before they make the inputs expected of them. In operation, time-based acquisition that is too brief frees up "golden handcuffs" and rises the risk of losing a founder whilst the startup is still being developed. (For this reason, time-based acquisition has been ridiculed, maybe unfairly, as "paying for a pulse.") (Wasserman, 2013, 301)

"*Milestone-based acquisition* is a solution to this problem, however it can cause its own issues. Group members earn a precise amount of capital for each of a clear-defined set of milestones that, if achieved, would add tangible value to the startup for business-oriented founders, milestones may concern to fundraising, customer acquisition, revenue, or establishing association agreements. For technical founders, milestones may be entwined to completing a prototype, piloting a successful beta test, or submitting the complete initial release.

It is successful only when the team can (a) precisely define when each milestone has been achieved and (b) clearly link the accomplishment of each milestone with the founder(s) responsible for reaching it. *If milestones are more subjective*, milestone-based acquisition can increase tension and conflict, as founders disagree about which milestones have been achieved. If the accomplishment of a milestone dangles on the labors of several founders, only one of whom will obtain an additional equity stake when it is achieved, the others will be interested to focus only on those milestones that increase their own equity holdings, growing the tension within the team and decreasing their capacity to reach milestones.

In rapidly changing companies, adopting strict milestones can be dangerous and must be done with care. In the future, the necessary modifications to the startup's strategy may render outdated a milestone on which some of a founder's capital depends, obliging another round of tension-filled negotiation over holdings and capital milestones or leaving that specific founder feeling resentful or creating destructive stiffness as it continues to pursue an outdated milestone.

As with every high-octane incentive, procurement terms must be devised with such unplanned effects in mind. Boards and founders must "stress-test" their exploratory milestones against an assortment of circumstances, evaluating whether each milestone would work well in every scenario, and fine-tuning for milestones that, in some circumstances, could cause misalignment. However, if used wisely, *dynamical terms* can grant a team with substantial flexibility to deal with one-off situations." (Wasserman, 2013, 304)

The most usual source of anxiety is 'he/she said' disagreements in the future, which can be shunned by having well-documented and well-defined

agreements. In the core of negotiating such a tense issue, every founder must recall that working together is a long-term intention and that the negotiation of capital division can make or break the relationship in the company. Founders who consider negotiation as a "transaction" and try to maximize their own short-term gains can poison the rapport and lose in the long run, locking a larger slice of a smaller cake or growing the chances that there will be no cake at all. (Wasserman, 2013, 315)

Quick handshake divisions of equity are associated with lower valuations than negotiated divisions (even negotiated identical divisions). Why? One reason is that stock-splitting negotiation frequently acts as a litmus test: if the founding team survives the trade, it is frequently a stronger team capable of tackling difficult problems. It's better to find out earlier that the team has undefeatable difficulties making difficult choices together than to find out after each founder has devoted a lot of time and money in a hopeless startup" (Wasserman, 2013, 315)

Co-founders who received less stock than seemed to deserve (based on their experience and early inputs to the startup) were significantly more likely to leave during the early years of the startup"

Founding teams that want to evade the potentially devastating consequences of an early, static stock split should make every effort to design a compensation plan (including stock splitting) that:

1) replicates each member's past and expected inputs as precisely as conceivable and 2) incentivizes each co-founder without appearing unjust to others. *Teams should also keep in mind that the deal is never fully done. Situations will change, and capital division and compensation may need to change, too, to accomplish what these vital tools are meant to accomplish*" (Wasserman, 2013, Noam. The dilemmas of the founder" 317)

4.4.2 The three R's

In a test, every answer you give is right or wrong regardless of the others. However, to found groups, multiple decisions must be aligned to accomplish successful results for the startup A decision made at any given time can

make a later decision turn out wrong, even if that later decision might have turned out ok in different conditions. Decisions about roles, relationships, and Rewards not only send start-ups down certain development paths, however also *work in contradiction of or in concert* with each other in the fight for growth, resource acquisition, and retention of control of the startup as suggested in Figure detailed below, our three Rs are linked. Therefore, a founding team's solutions to their role, relationship, and reward dilemmas must make sense not only individually but also jointly. As we'll see, the alternative to decisions that are aligned is a set of decisions that have counter-purposes. At the best, the misalignment of the Three R's will bring tension and conflict; At worst, it can destroy the founding team.

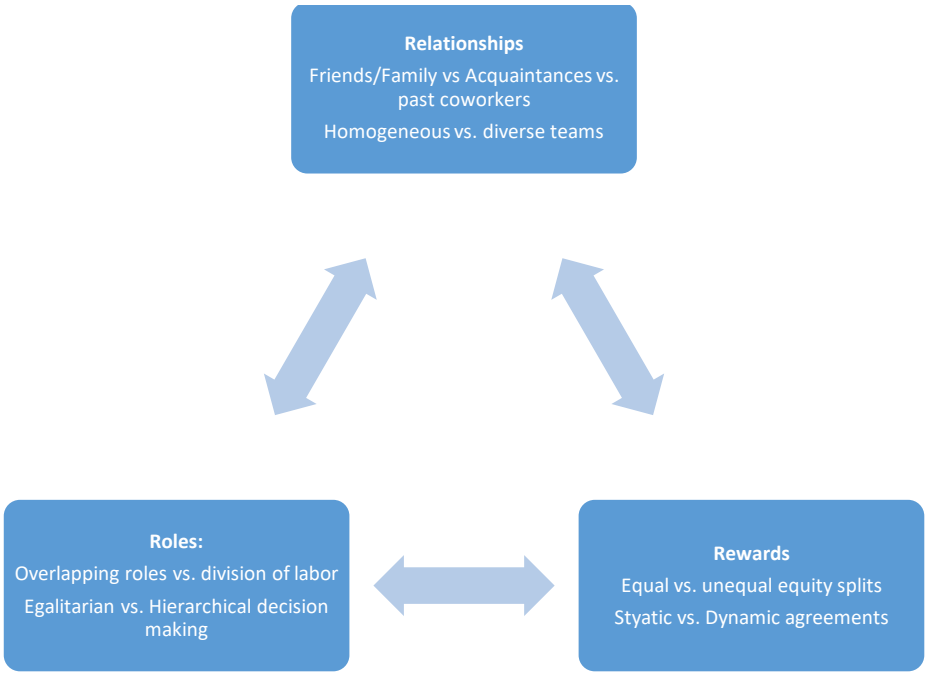


Figure 4 The system of the three Rs (Wasserman, 2013, 272)

There is no perfect alignment that suits all situations and prevents all problems

In the case of a relationship where, for example, the former manager and former subordinate go to start a business, the former manager becoming the CEO with a larger share stock. and the former subordinate, the Vice President, would be very reasonable. for example, but not vice versa, since they know the other's level of experience. In the case of newcomers who know little about each other's capabilities, it would be inappropriate to adopt a very different equity distribution at the time of incorporation.

Understanding the causes of stress can be difficult for groups: even a seemingly small decision, if it is unaligned for others, can tip the scale and

even a single Founders that unaligned can also cause an emotionally draining breakup

Even if a team finds a cohesive balance through the Three Rs decision system, they should make sure to reevaluate the system as the startup grows and unexpected events occur. (Wasserman, 2013, 326)

When a senior founder includes a family member on the founding team, that family member receives a share equal to 1.11 times the share of a comparable non-family cofounder, as can create serious bias if family and non-family-founders don't have roughly the same contributions to the startup (Wasserman, 2013, 335)

Equity theory emphasizes the close connection between social considerations (relationships) and economic considerations (rewards). Prima facie, founding teams can be classified as operating either by social logic or business logic, depending on the type of prior relationships the co-founders share. For some groups, preserving personal relationships takes precedence over maximizing business success; For teams that operate according to business logic, maximizing business success takes precedence over maintaining personal relationships. (Wasserman, 2013, 336)

		Prior Relationship	
		Social Relationship (family and friends)	*Prior coworkers*
Basis for Equity Split	Rule of Equal Distribution	Stable team	Unstable team; Inconsistent with social logic
	Rule of Equitable Distribution	Unstable team: Inconsistent with social logic	Most Stable team

Figure 5 Equity Split and Relationships (Wasserman, 2013, 283)

The co-founders have not only worked together before, but have also founded startups together show a unique set of circumstances. These "serial founders" groups have more understanding of each other and a better understanding of

each other's levels of commitment and motivation than any other group as a result, they can perform a suitable stock split much sooner, enjoying the benefits of an early split without many of the disadvantages associated with making such a decision too soon. (Wasserman, 2013, 340)

Controlling for the other differences between founders, founders-CEOs obtain a CEO premium (i.e., an additional amount of stock for being CEO) of 14 to 20%. The premium for founders-CTO is lower, 5 to %.

In part, a premium for adding larger value to the startup by primarily formulating its vision, enticing other co-founders, and implementation other critical initial tasks frequently performed by the person of the idea.
While the founder-CEO held the largest shareholding in 39% of startups (keep in mind that the average CEO premium in this dataset was 14–20%), in 33% of startups, the founder-equity CEO's stake was on par with their non-CEO co-founders, and in 28% of startups, a non-CEO member of the founding team received a higher equity stake than the founder-CEO. * In some of these latter startups, founders made deliberate trade-offs between roles and in other cases, the non-CEO made a valuable non-managerial contribution. More generally, each of the major choices that founders must make—starting with the first choices they make about when to found, how to assemble their founding teams, and how to proceed—repeats the necessity to make trade-offs between (a) decision-making roles and control, and (b) financial benefits. (Wasserman, 2013, 342)

Another significant long-term economic impact can be caused by how equality and role decisions combine. Equity investments are a limited resource, and capital allocation is typically more effective when the team is divided into discrete tasks rather than when the founders have overlapping roles and are therefore somewhat redundant. The startup might have utilized that capital to find a co-founder with the missing type of personal, social, or financial capital that would increase the startup's value rather than spending tiny amounts on overlapping founders. The pay structure would be more closely matched with employees' roles in this way. Alternately, such equity holdings may have been later leveraged to draw in investors or hire personnel to fill up the gaps and provide value. (Wasserman, 2013, 345)

The founder's enthusiasm and self-assurance could make them oblivious to the long-term effects of their initial choices. Increased conflict and

unpredictability within the founding team might hinder the startup's ability to grow smoothly and jeopardize the founder's capacity to build value while still exercising control. If founders don't drive themselves to prepare for the worst and keep a close eye out for signals that their balance of the Three R's has become uneven and has to be revaluated or renegotiated, they risk their startups and perhaps even their personal lives. (Wasserman, 2013, 351)

Because an external resource's owner can demand more of it the more valuable and rarer it is, attracting hiring and investors requires founders to make challenging concessions. (The owner is the resource in the case of employees.) For instance, in order to hire top talent, founders must forgo not only fair financial remuneration and capital ownership but also some degree of operational decision-making authority. This is because trained workers typically dislike being told what to do. *Founders must give up significant sums of wealth as well as authority over numerous board-level decisions in order to draw the finest investors*. This means that recruiting the best resources can severely restrict founders, as we shall see. They may even lose control of the CEO or board position if they do so. (Wasserman, 2013, 355)

Fast-growing company founder-CEOs commonly discover that *utilizing their own networks to find executives for their teams, or relying on other members of the firm to assist them find them, is the quickest and easiest method to handle new issues that regularly occur.* Research reveals that founder-CEOs are the primary source of 49% of all C- and VP-level hires. In addition to the convenience and access that comes with using one's own networks to find employees, founders who do so can create more cohesive organizations and recruit workers who are more receptive to control systems of the company, enabling founders to concentrate on non-HR concerns (Wasserman, 2013, 361)

The research would appear to support this: High-potential firms that made moderately heavy use of the founders' personal networks were rated 37% higher when employing non-founding CEOs than startups that made only minimal use of the founders' networks. (Wasserman, 2013, 364)

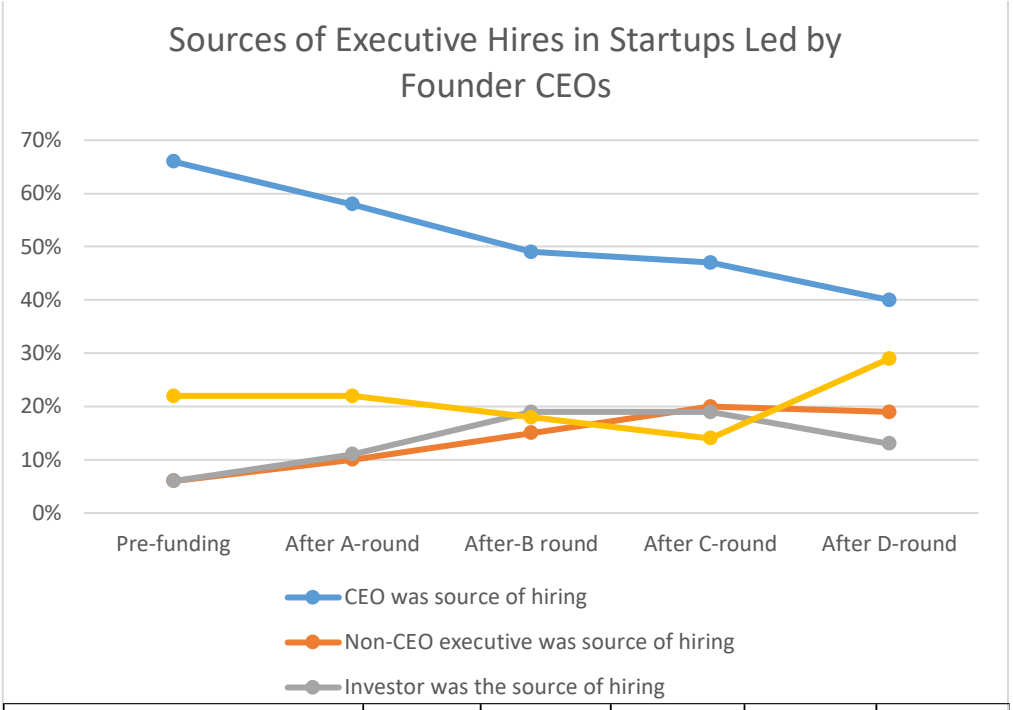
For CFOs in particular, this is true. 26% of all CFO hiring come from

investors, a significantly greater ratio than for any other non-CEO post. Investors may be helpful in helping CEOs locate CFOs for their firms if their networks don't contain outstanding CFO candidates. However, some founders have a more pessimistic perspective on the prevalence of CFOs selected by investors; one called them "the eyes and ears of investors, their spies on the team." The CFO role is one of "the primary levers for investors," according to another entrepreneur, who focused on "choosing a CFO who can monitor how their funding and startup performance is being used." The founder is still the company's CEO.

Conversely, it appears that investors place far less emphasis on cultivating relationships with other potential executive recruits, such as CTOs (13% of whom are hired from investors), COOs (16%), and the VP level below them (14%).

15% of executive hires come from a non-CEO team member; these recruits don't have a close relationship with the founder-CEO but do have a close relationship with one of the team members. (Wasserman, 2013, 365)

Hires may also originate from a variety of weaker relationships, such as executive search firms, job postings, cold applications, and other sources outside the networks of company founders and other participants. Figure below illustrates the significance of these less reliable hiring sources, which account for an average of 20% of hires throughout all stages of the startup's development and between 14% and 29% of hires at each level. Weak ties can be a way for job seekers of all stripes to advance to higher-status positions. 7 However, for founder-CEOs, relying on such flimsy links can make it challenging to assess how well a particular person fits with the rest of the organization's culture and generally challenging to maintain low turnover.



	Pre-funding	After A-round	After-B round	After C-round	After D-round
CEO was source of hiring	66 %	58 %	49 %	47 %	40 %
Non-CEO executive was source of hiring	6 %	10 %	15 %	20 %	19 %
Investor was the source of hiring	6 %	11 %	19 %	19 %	13 %
Other Source	22 %	22 %	18 %	14 %	29 %

Figure 6 Sources of Executive Hires in Startups Led by Founder CEOs (Wasserman, 2013, 309)

The dynamic of the team changes significantly when it expands beyond the original founders. The close-knit founding team must integrate executives and workers who may have very different goals (they may, for example, see themselves as agents rather than managers*) and skills (they may, for example, be much more specialized), but whose contributions are essential if the startup is to advance to the next stage of growth. New hires need to be ready for the difficulties of adjusting to a tight-knit founding team as well. Similar to other teams that collaborate closely on tough tasks, founding teams frequently create unofficial rituals, practices, and shortcuts that are challenging for outsiders to comprehend. (Wasserman, 2013, 368-367)

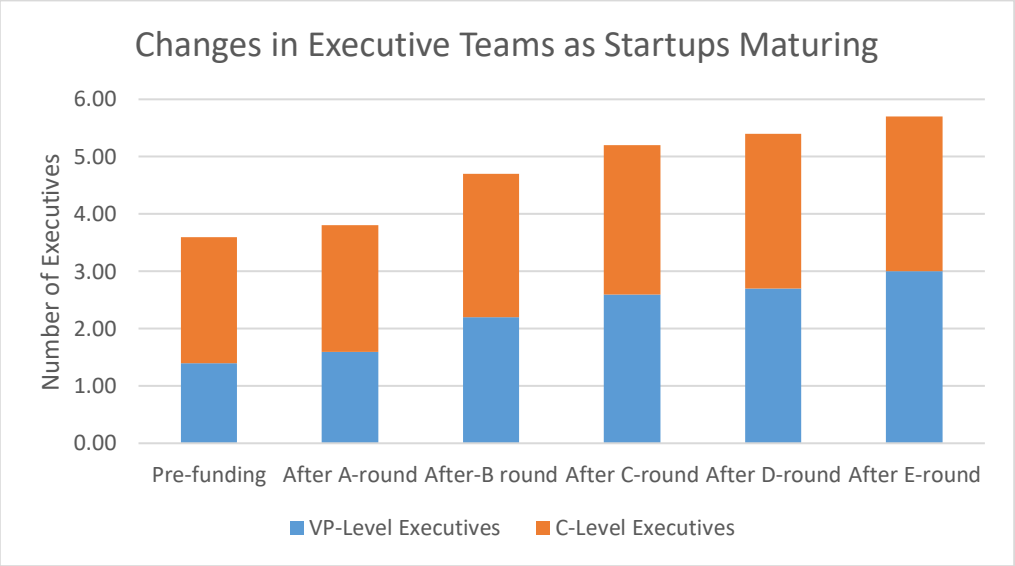
When teammates are also friends, and it is clear that there could be conflict. You want to give them a fair warning and plenty of time. That, however, is not the best response for the business. What do you then? There is no right option for you personally; it is a "Sophie's choice." Either you act in a way that is detrimental to [your friend's] interests or detrimental to the business as a whole. (Wasserman, 2013, 371)

For those who are not a part of the family power clique, the dynamics of friendships and, worse, family, within a firm can actually lead to some horrible situations. (Wasserman, 2013, 372)

4.5 When to create new positions?

Executive teams in startups go through two significant adjustments as they grow. When the business raises its fifth round of investment, the team size will have increased steadily from an average of roughly 3.5 executives to over 6. The second is the shift from teams in which VP-level executives eventually outnumber C-level executives after the fifth round of investment, from heavy equipment controlled by C-level executives (mainly founders). But just when and for which of those positions will they be created?
CFO is the new primary position at level C. In their early phases, just 4% of firms name the founder as CFO (or CFO). Startups recruit CFOs (or, less frequently, designate an existing employee to fill that role) as businesses mature and their financial difficulties get more sophisticated; 70% of mature startups have a non-founding CFO. (Wasserman, 2013, 373)

If a startup has a COO, it's a warning indicator, according to Bill Holodnak, CEO of executive search firm J. Robert Scott: "Either the COO doesn't belong or the CEO doesn't belong." Although Bill's comment unfairly lumps all businesses together, it does highlight the necessity for firms to thoroughly assess their teams before adding such positions. (Wasserman, 2013, 374)



	Pre-funding	After A-round	After-B round	After C-round	After D-round	After E-round
VP-Level Executives	1,40	1,60	2,20	2,60	2,70	3,00
C-Level Executives	2,20	2,20	2,50	2,60	2,70	2,70

Figure 7 Changes in Executive Teams as Startups Maturing (Wasserman, 2013, 314)

Even while the founder's title frequently didn't clearly acknowledge that function, a founder nevertheless acted as the company's boss or the only salesperson in three-quarters of the fastest-growing companies in the Inc. 500. (Wasserman, 2013, 376)

The duties on each role tend to increase as startups expand. For instance, the CTO's role eventually changes from performing the initial design and development of the system to hiring and managing a technical team, which calls for completely different skills. Similar to this, the VP of Sales, who once only had the role of the first salesperson, is later required to hire and manage a sales force as well as create a sales process and pay plan, both of which are very different from selling. As the responsibilities of their jobs increase and they are forced to transition from "player" to "coach," some founders and early employees can mature and advance. The firm must choose whether to leave a critical duty in the hands of a founder or devoted employee who is ill-equipped to handle it or to replace that person with someone who can handle it because demands in a fast-growing startup will increase faster than most people can learn. (Wasserman, 2013, 380)

The CEO is chosen first, and then you have to choose who else is employed and for what positions. Which position should we give him—manager or vice president answering to the CEO? The company can't afford to pay them more at the beginning of its existence, but since titles are easy to give away, you can use them to improve the package. Since they are currently "managers" at their company, becoming "directors" will feel like a promotion to them. However, when the startup grows, they can't keep up, and that inflated title creates significant problems. A senior degree holder will instinctively fight against being demoted one level or more by a new hire. (Wasserman, 2013, 382)

Generalists versus specialists: option value versus depth

A startup must decide whether to engage a specialist, who can typically be

relied upon to complete a particular work well, or a versatile generalist or an expert in all trades, who can't perform any one task as well as a specialist might. however, you are more adept at handling several duties than a professional.

The most advantageous choice depends heavily on how formalized the relevant function has become, which depends on the startup's stage of growth as well as that particular function. Startups are usually started by individuals who have a clear initial vision for the good or service they intend to create and market. However, they must deal with a number of uncertainties regarding their approach, the business model they will employ to generate revenue, and even the final form of the idea, which typically changes over the course of several months. They oppose formalizing procedures or establishing specialized roles, allowing each employee's duties to fluctuate daily in accordance with the startup's attempts to build its strategy, business model, and product. Flexibility is a top priority right now. (Wasserman, 2013, 385)

The chance to understand procedures and systems in a business that has been successful enough to expand greatly exists for those who work for major corporations. On the other side, many of the behaviors that individuals form in big organizations can be detrimental to a startup About one of his hiring blunders, Frank Addante said, "We hired [a VP of sales] through a recruiter who focused exclusively on the VP of sales. Both Oracle and IBM had employed him. He was quite appealing on paper. He played well in the match when we brought him in. He then remained still for three months. He took no action. He didn't employ anybody. He didn't come up with a scheme or a plan of attack. He didn't feel at ease making something up out of nothing. It's like having a crank that someone can start but not actually construct. Creating something from nothing calls for a distinct skill set. (Wasserman, 2013, 390)

Inexperienced workers are hired by startups in the hopes that they would develop into "rising stars" who can learn new skills and advance in their positions. Conversely, experienced hires are anticipated to be "rock stars" who can contribute significantly right away. (Wasserman, 2013, 396

Every quarter, fast-growing businesses undergo significant transformation. People cannot be taught for it unless they have experience working for another [startup or small business] because the quantity of change is not typical. (Wasserman, 2013, 394)

Startups with limited resources typically cannot afford to offer salaries and bonuses that are on par with those of large corporations. Startups must utilize additional financial (and non-financial) incentives to make up for this, with stock being the most prominent of them. Despite the fact that founder compensation plans commonly include a combination of suitable incentives for both agents and directors, new recruits are typically traditional agents who need different incentives. Startups can choose between non-contingent options (salaries) and contingent options (performance-based bonuses) when creating compensation packages. They can also link monetary rewards to either individual performance (a bonus tied to the specific performance of the employee 19) or to the startup's overall performance (most prominently through equity stakes in the startup).

Position:

Although there are significant exceptions, C-level executives typically earn more money than VP-level executives. The two highest-paid roles for non-founding executives over the course of the full decade were CEO (average salary $217,000) and COO/president ($176,000). Vice presidents of engineering, business development, sales, and marketing made between $147,000 and $155,000 at the next level, as did CTOs and CFOs.

Firm stage: The higher the financial remuneration, the larger the startup (more funding rounds raised), and the more mature the startup (more employees and revenue generated).

For instance, I discovered that non-founding C-level compensation in 2009 businesses that had raised three or more rounds of investment were between 12% and 17% higher than those that had only raised two rounds of funding. Non-founding C-level compensation in the largest startups ranged from 17% to 19% more than those in startups with 40 or fewer employees and those with more than 40 employees, respectively. Non-founder C-level compensation at higher-income businesses were 10% to 12% higher, when dividing startups into those with less than $5 million in revenue and those with $5 million or more in revenue.

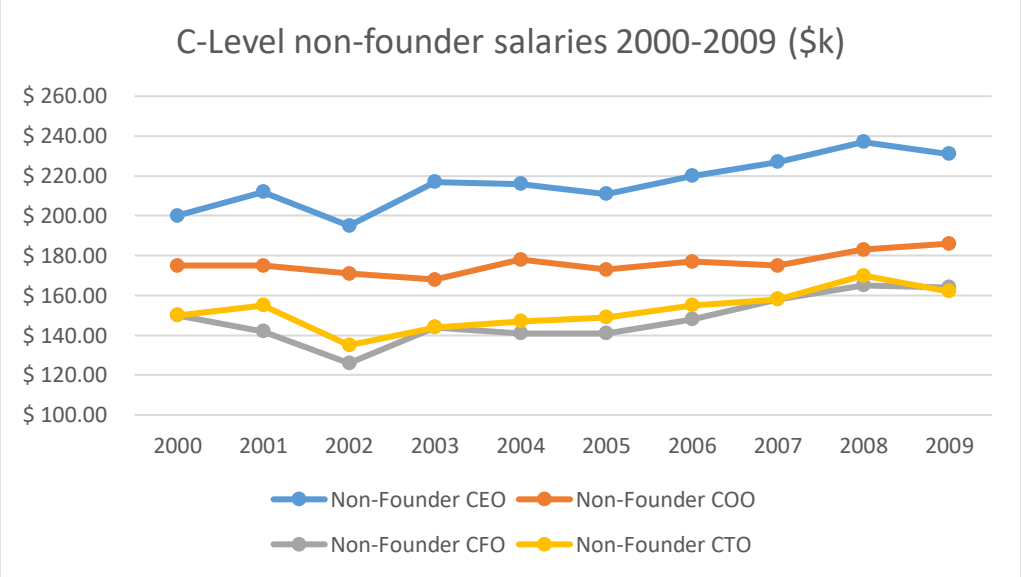
Compared to their peers at IT companies, industry executives in life sciences startups typically receive much higher cash pay. For instance, in 2009, the average non-founder-CEO compensation for health sciences businesses was $285,000, while the salary for tech startups was $231,000, resulting in a $54,000 difference. The difference was $31,000 to $36,000 for the other C-level executives who were not founders. (Wasserman, 2013, 401)

The wages of non-founders don't appear to be impacted by geography. Non-founding C-level executives earned just 1% more than their counterparts in the rest of the country in California and New England, a difference that is not statistically significant.

Monetary bonuses are a significant part of cash pay for many executives. These bonuses are more responsive to real performance than salaries since they are typically connected to baseline benchmarks and specific performance metrics. Bonuses make up an average of 28% of the overall cash remuneration for the executive team. By position, there are significant variations though. The bonus as a proportion of executive salary for the entire decade of data for tech companies is shown in the figure below. With a bonus percentage of 49%*, sales vice presidents' cash remuneration was by far the greatest; for CEOs, the figure was 37%, and for all other executives, it was below 30%. (Wasserman, 2013, 403)

4.6 Function-based compensation packages

The "ideal compensation package" depended on function: salespeople were highly motivated by performance-based compensation, while software engineers wanted to rely primarily on their monthly paycheck. As Dick explained, with salespeople, it's better to "make the compensation package based on how much more they will earn if they meet or exceed the quota and I, as CEO, have to be comfortable with their profit four times more than I do, however with a low base and a big advantage. (Wasserman, 2013, 403)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Founder CEO	$ 200,00	$ 212,00	$ 195,00	$ 217,00	$ 216,00	$ 211,00	$ 220,00	$ 227,00	$ 237,00	$ 231,00
Non-Founder COO	$ 175,00	$ 175,00	$ 171,00	$ 168,00	$ 178,00	$ 173,00	$ 177,00	$ 175,00	$ 183,00	$ 186,00
Non-Founder CFO	$ 150,00	$ 142,00	$ 126,00	$ 144,00	$ 141,00	$ 141,00	$ 148,00	$ 158,00	$ 165,00	$ 164,00
Non-Founder CTO	$ 150,00	$ 155,00	$ 135,00	$ 144,00	$ 147,00	$ 149,00	$ 155,00	$ 158,00	$ 170,00	$ 162,00

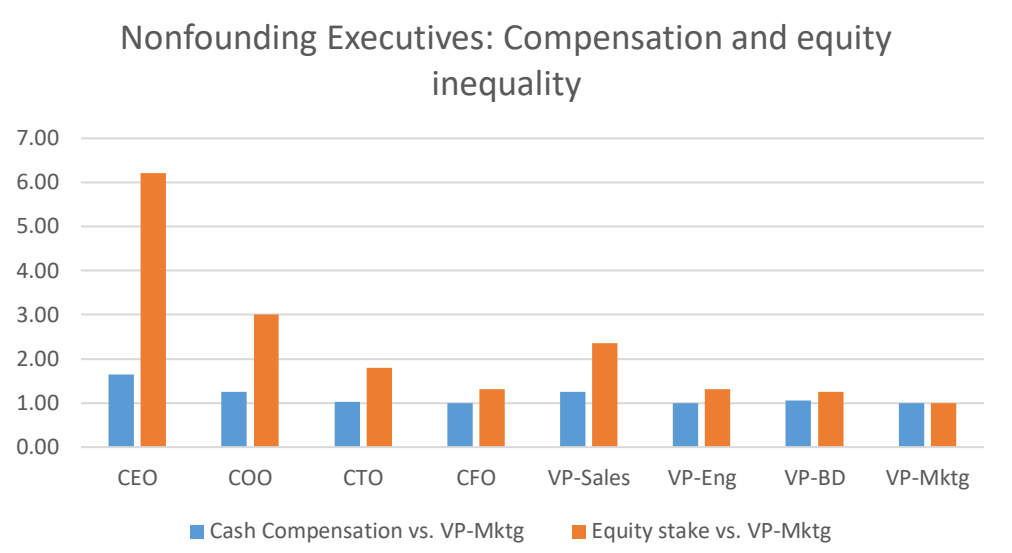
Figure 8 C-level non-founders salary 200-2009 (Wasserman, 2013, 337)

If perks like a more balanced lifestyle are more essential to women than to men, this could result in a gender ga Women who choose not to work in the hubs may be exchanging financial remuneration for benefits like those. (Wasserman, 2013, 405)

The majority of founders/CEOs are replaced by "experienced executives," many of whom are drawn from bigger businesses. These CEOs also bring their preexisting preferences and biases, in addition to their "own team." (Wasserman, 2013, 406)

Equity holdings often adjust uniquely to each new recruit in the early stages of a firm. However, this ad hoc strategy might become problematic when a startup develops. As FeedBurner expanded, Dick Costolo encountered this issue. "Our CFO had been a venture investor and pointed out that we needed [to tidy up all of our ad-hoc financing agreements with our employees] so that all new hires were in the same boat.... Everyone's interests were not aligned," he said. When FeedBurner eventually received a takeover bid, the alignment concerns stemmed from the variance between the initial hires rather than Dick and the CFO's ability to create consistency to the capital packages for subsequent employees. Divergence within the team occurred at a critical point since certain employees with capital structures wanted to accept the offer while others did not. (Wasserman, 2013, 408)

VPs typically have more capital than the remainder of the C-level executives, who in turn typically have more money than non-founding CEOs. Non-founding CEOs' average stock ownership over the decade covered by the dataset were 6.0%, 2.9% for COOs, 1.7% for CTOs, and 1.3% for CFOs. The average capital expenditure for the top four vice president positions was between 1.0% and 1.3%. (Wasserman, 2013, 408-409)



	CEO	*COO*	*CTO*	*CFO*	*VP-Sales*	*VP-Eng*	*VP-BD*	*VP-Mktg*
Cash Compensation vs. VP-Mktg	1,65	1,26	1,03	1,00	1,26	1,00	1,05	1,00
Equity stake vs. VP-Mktg	6,21	3,01	1,80	1,32	2,35	1,31	1,26	1,00

Figure 9 Non-founding Executives: Compensation and Equity Inequality (Wasserman, 2013, 345)

4.6.1 Cash versus capital seesaw

Different cash pay and stock arrangements can produce various incentives, promote various degrees of risk-taking, and focus emphasis on business objectives as opposed to personal ones. Similar to larger organizations, startups frequently create pay plans that trade cash for stock stakes. If a plan has a high salary but a low equity component, or vice versa, it is likely to be a startup compensation plan.

Dick Costolo said that, at FeedBurner, "Every hire would be a heavy equity hire with a below-market salary, or a heavy salary with a below-market capital." (Wasserman, 2013, 414)

Researchers discovered that the best paid CEOs had average equity holdings of

6.46%, while the lowest paid CEOs had average equity holdings of 8.49% by splitting the sample of CEOs into the highest-paid and worst-paid half (average salaries of $253,000 and $181,000, respectively). (Wasserman, 2013, 415).

In order to keep more money for themselves, founders often offer smaller

equity stakes to prospective employees. They would rather offset this with another incentive, such as higher salaries or unquantifiable benefits, rather than risk losing the hire and having to replace them with a less qualified candidate. Such a founder is frequently able to keep more capital, but they may also assemble a team that is less capable or driven to increase capital value. The founder increases his chances of getting a King result as a result. Founders who desire to create a more valuable startup, even if their proportion is lower, will, on the other hand, make the opposite choices and boost their chances of having a successful outcome. (Wasserman, 2013, 416)

When founders have personal ties to their staff, they may be less hesitant to broach delicate subjects with them and run the risk of serious harm to those relationships if things go difficult at the firm. As a result, they may put off solving the issue until it is about to blow u (Wasserman, 2013, 420)

In contrast, a programmer who works on a development team may not benefit from a compensation structure with numerous bonuses tied to individual performance. In other words, rewards that are properly linked (or aligned) with one role type may be insufficiently linked (or misaligned) with another role type. (Wasserman, 2013, 421)

A sales incentive plan that is heavily based on performance can turn off potential customers while luring weak workers away. A salesperson will quit if he isn't doing a good job and isn't getting paid what he wants, as Dick noted. (Wasserman, 2013, 421)

Many firms form option groups containing equity shares to be distributed to upcoming new hires in order to offer enough funds with which to hire important personnel. These are typically "updated" or created during each new round of funding, however 46% of firms with pre-funding also establish these groups to make hiring easier. When the first round of investment is obtained, this number increases to 80% of companies, and from the second round, it increases to more than 90%. The size of these groups should ideally correspond to the number of hires the startup anticipates making until the group is updated once more, or until the next round of funding. In reality, the data is consistent with this relationship: the group's size is highest during the early phases of startups' development, when the firm needs the most funds to attract employees, and while the most crucial positions are still vacant.

Options pools averaged 20% of fully diluted capital in the newest firms in my dataset; this percentage fell with each successive round of funding.

The group of options has decreased to 11% and 10%, respectively, by the third and fourth rounds. (Wasserman, 2013, 424)

Professional investors have made significant early contributions to the funding and development of some of the most successful businesses, including market leaders like Google, eBay, and Genentech. However, there are a lot of risks for investors who are thinking about funding a business. The creator typically understands the market's potential better than investors and is far more aware of his own strengths and motives. Investors can take actions to lower their risks, like performing due research on the founder and the market. However, they must also arrange the investment to lower risk and harmonize the startup's goals with their own, so that each partner "also supports the interests of the other" in addition to "just following their own interest." The terms included in those investment structures (such as the acquisition of founder's rights, settlement preferences, and board representation described below) are occasionally necessary to enable the investment, but as we shall see, they also lead to greater problems. (Wasserman, 2013, " 428

4.7 SELF-FINANCING

At least one founding team member provided seed money early in the startup's life in 77% of the founding teams in my dataset. However, the capital typically sells out quite rapidly on those teams as well. The average monthly "burn rate" (the amount of cash utilized) for firms without an external round of investment was $75,000, and the medium-sized startup was just under four months away from running out of money. A short cash reserve makes a startup more susceptible to cash flow problems and more likely to fail. Money buys time at startups, as Professor Bill Sahlman observes: time to experiment, gather and assess data on what worked and what didn't, and time to modify strategy and operations in light of what was learned. (Wasserman, 2013, 432)

4.7.1 WHEN INVESTORS BECOME DESIRABLE

The startup's founders must determine whether they still lack the human, social, and financial resources necessary to expand and compete successfully, whether various sorts of investors can cover those gaps, and whether the dangers of doing so outweigh the possible rewards. (Wasserman, 2013, 434)

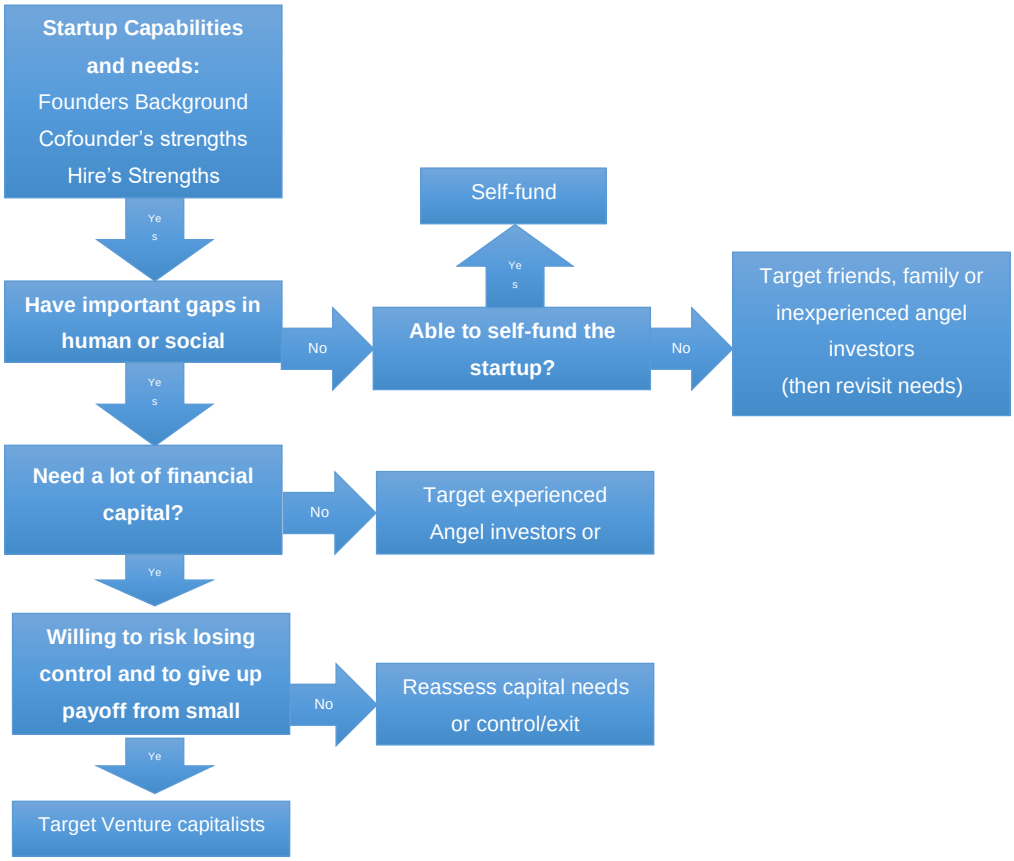


Figure 10: Central "Investor Dilemmas" Questions for Startups That Can Attract Outside Investment (Wasserman, 2013, 365)

Outside investors can offer founders two main advantages: (a) the money needed to advance to the following stage of development; and (b) better governance, which includes adding more discipline to the startup, refining its strategy, and obtaining outside opinions on the startup's prospects and the capabilities of its employees. (Wasserman, 2013, 435)

Investor	*Investors Main Source of Capital*	*Founder's ease to access the investor*	*Value Typically Addedn to Startup*	*Risks to Founder*	
Friends and family	Personal wealth (small)	Easiest. Personal network or core founders are tapped	Little to none Family members often do not have business skills. Role on founders board. Social capital. More financial capital than friends and family.	May send an unprofessional signal. Lax standards ay enable founders to purse marginal ideas. Playing with fire.	
Angel investors	Personal wealth (medium to large)	Internediate. Third-party networking and impersonal searches such as angel forums can be used.	May have a broad business sexperience	Less "constructive discipline" and oversight/assistance than VCs. Can be difficult to manage. May introduce complications that later turn off potential investors.	
				Wealth	Control
Venture capitalists	Limited partners (very large)	Hardest. Angel investors and professional contacts are often used	More-and more prefictable-financia capital than angel investors. Social capital (to find hires, future investors and professiona CEOs). Reputational effects. Guidance through taking an active role on the board and regular communication.	VCs demand equity which dilutes founder stakes. liquidation preferences affects exits. Forced vesting of founder equity stakes. Forced equity reallocations amongst the teams.	Board seats. Protected provisions and supermajority voting rights with preferred stock. Differing risk levels than cofounders can cause conflict. Staging of funds. Drag-along rights can affect exit.

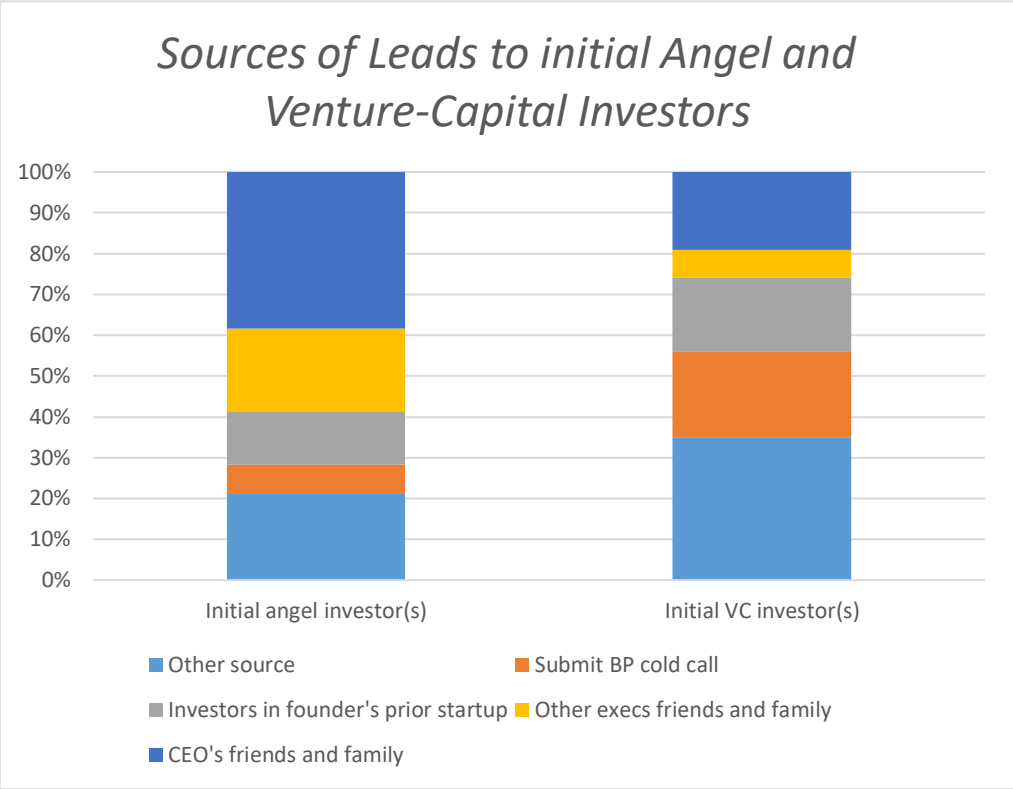
Figure 11 Pros and Cons of Investor types (Wasserman, 2013, 367)

An entrepreneur is more likely to be risk-averse and to be sold in fewer quantities if all of his own fortune or the wealth of his family is involved in the transaction. This would be advantageous for founders who would rather have a smaller, higher-probability departure than a smaller-probability exit. (Wasserman, 2013, 442)

Taking money from friends and family can have risks, especially if the firm is past the early launch stage, and it might also give the wrong impression about its possibilities. Serial entrepreneurs were advised to reconsider their startup if they were forced to raise money from friends and family after failing to find professional investors: "If you can't persuade someone more objective than your friends and family to invest in you, there's probably a flaw in your business." which will cost them money and leave you feeling bad. (Wasserman, 2013, 443)

Use your family if they have financial skills, come from a business experience, and understand the need to keep friendship and business firmly distinct. Just as co-founding with friends and family should be accompanied by carefully constructed firewalls and explicit discussions about worst-case scenarios, there should also be any funding from friends and family, or else founders should resist the temptation to take that money. However, there are

clearly too many ifs, ands, or buts in this scenario, so the founders would do well to seek funding elsewhere. (Wasserman, 2013, 445)



	Initial angel investor(s)	Initial VC investor(s)
Other source	21 %	35 %
Submit BP cold call	7 %	21 %
Investors in founder's prior startup	13 %	18 %
Other execs friends and family	20 %	7 %
CEO's friends and family	38 %	19 %

Figure 12 Sources of Leads to initial Angel and Venture-Capital Investors (Wasserman, 2013, 379)

Social capital and credibility: A startup may receive a lot of credibility from its angel investors, depending on their track record and reputation. Incorporating VCs into a startup might also be directly influenced by angel investors. (Wasserman, 2013, 452)

"TechCoast Angels targets investments of up to $1 million, and CommonAngels targets deals totaling $500,000 to $5 million. (Kerr et al., 2010) Based on quantitative analysis of the investments made by the two angel forums." (Wasserman, 2013, 454)

Although angel investors typically participate in the first round of outside

investment, many also attempt to invest in later rounds to preserve at least some ownership in the firm. (This contrasts with friends and family investors, who usually stop making significant additional investments in later stages. (Wasserman, 2013, 454)

Personal risks: Although accepting funds from angels can, as we shall see, significantly raise some sorts of danger, there is considerably less of a chance of playing with fire when doing so. Failure typically does not harm any existing social connections, and experienced angel investors typically only contribute a small portion of their net worth to every firm. (Wasserman, 2013, 454)

The widespread lack of knowledge and experience about the business and their role as investors is one of many angels' disadvantages. Additionally, because angel investors make smaller investments, founders have a bigger investor base to handle. (Wasserman, 2013, 455)

Many angel investors have a general lack of knowledge and experience regarding the firm as well as their job as investors, which is one of their downsides. Additionally, because angel investors make smaller investments, founders must handle a bigger group of investors. (Wasserman, 2013, 457)

From 1987 to 2008, there were more than 22,000 venture capital-backed enterprises. From those, 26% had been merged or purchased, 9% had gone public, 15% had been liquidated or declared bankrupt, 19% were anticipated to return no money to stockholders, and 31% had remained private. (Wasserman, 2013, 459)

Compared to the traditional friend, family, or angel investor, venture capitalists can offer entrepreneurs greater financial, social, and human capital. Many business owners continue to look for venture capital investment even though there are always others who wonder whether these advantages outweigh the drawbacks of receiving funding from venture capital. In fact, the less favorable terms an entrepreneur will accept to obtain an investment from a venture capital firm, the more reputable, experienced, and well-connected the firm is: In order to secure the services of a better venture capital firm, entrepreneurs were willing to give up an average of more than $4 million in value, according to a study of business owners who had received proposals from several venture capital firms. (Wasserman, 2013, 460)

While angel investors only connected 10% of firms with future venture capitalists, initial venture capitalists did so for 31% of startups. In a similar vein, venture capitalists helped 14% of firms find their first corporate investors, compared to only 5% of startups helped by 30 angel investors. (Wasserman, 2013, 464)

In the public market, firms with more illustrious investors are valued higher. For younger, less established startups, a rise in credibility from illustrious investors is especially significant. (Wasserman, 2013, 464)

In a different survey, firms that got venture capital funding were 47.7% more likely to say that their investors had a significant impact on developing human resource management rules and starting other professional practices than startups with other types of investors. In a different study, industry-savvy venture capital companies were successful in convincing entrepreneurs to accept their term sheets while providing valuations that were, on average, 10% lower than those of rivals' proposals. This seems to suggest that founders anticipate greater benefits from venture capital firms with more expertise. However, even if the venture capital firm has a stellar reputation, founders must understand that this does not guarantee that every one of the firm's individual partners will be productive and devoted. Not all Sequoia money is the same hue, as one general partner of a sizable firm put it: "It's different if you get [senior instead of rookies." (Wasserman, 2013, 467)

Size. The CEO's ability to draw on industry expertise and commercial experience increases with the size of the board. After the initial round of investment, 80% of the boards in my data set comprised 3-6 members, with an average of 3.9. After receiving money in the second round, that average was 4.8 members. Following that, growth slowed; after the third and fourth rounds, the average was 5.2 members. 89% of the boards had between 5 and 8 members by the fifth fundraising round, with an average of 5.7. (Wasserman, 2013, 469)

Experience. The smaller the board, the more power can be given to people with a great deal more experience. A startup board's VC members are more likely to be pattern recognizers than the founding members and, in particular, to have previous board experience. 48% of the external directors in my sample had prior board experience. In a dataset, boards held meetings 7.9

times more frequently than boards of big businesses on average. The frequency of meetings varied greatly, but a recurring pattern emerged: meetings took place more frequently when the business was early and then less frequently as the startup grew. (Wasserman, 2013, 470)

While the startup is still in its early stages, the VC said that he requires monthly board meetings, but that once it "is fine-tuned,' it's operating full steam ahead and has a whole crew, 60 days between meetings works." The need for VCs to use board meetings to monitor startup performance and the need to provide recruitment guidance and assistance decrease as companies become more formalized, have metrics with which performance can be tracked, and as the executive team is completed, allowing for fewer meetings to be held. (Wasserman, 2013, 471)

Boards of directors for founder-CEOs were significantly more seasoned than those for non-founder-CEOs. There may be a number of causes for this. Insofar as founders can benefit from having a board that can act as a reality check on their proclivities because they are overconfident and passionate, their more seasoned boards are better suited to fill that counterbalancing role. The most effective boards, according to Bagley and Dauchy, "give independent, knowledgeable advice to management and challenge the CEO, rather than operating as a rubber stamp. An ideal board "should foster the type of learning that allow a firm to 'pivot' by making significant adjustments to its strategy," according to one VC. Some founders struggle to stay focused on a single idea rather than chasing different ventures, so much so, boards can also serve as a check on that trend. " (Wasserman, 2013, 477)

4.7.2 "Settlement preferences: giving up "small" exits

The amount of capital that each party owns explains only a portion of the history of the property. The amount that each party would get under different exit scenarios is affected by other clauses in the investment contract. The most crucial of these conditions may have an impact on payments made by each party, especially in cases when there is a modest exit. This policy, known as liquidation preference, states that in the event that a business is dissolved or bought, VCs must recover their investment, or a multiple of it, before other shareholders—in this case, the founders—gain any product. In a dataset, 78% of the startups in the first funding round agreed to grant their

investors a "1" liquidation preference, meaning that if the startup were to be sold for the amount of capital invested by those investors (or less), those investors would receive all of the proceeds and the founders and other early shareholders who own common stock would receive nothing. (Wasserman, 2013, 480)

Whatever the reason, giving investors a preference for liquidation increases the pressure on founders to "move around the fences" and adopt higher risk/higher return strategies because they no longer stand to gain from a "small" exit they may have otherwise consented to. Investors who likewise want to smash a home run are better aligned with founders who are encouraged to swing for the fences. However, founders (for whom this may be their only swing at the ball) often do so at the expense of significantly raising their risk. (Wasserman, 2013, 483)

To keep and inspire the most crucial team members, investors want them to have the highest stock holdings. Investors will therefore determine whether the "correct" founders own the largest stakes; if they notice a significant imbalance, they will frequently demand that the founders reallocate their capital as a condition of the fundraising round. (Wasserman, 2013, 484)

When a firm obtains its first round of funding, the turnover of the founding team actually increases significantly; success in drawing investors is connected with founding teams becoming less stable, not more. This may be due to the possibility that investors will compel the founding team to renegotiate equity stakes and positions, which is almost certain to exacerbate existing difficulties. 46 Before looking for funding, one should take into account this significant hidden cost of enticing investors. (Wasserman, 2013, 484)

4.8 BOARDS

Seats on the board, voting power, the founders' and investors' varying levels of risk tolerance, as well as veto rights that can be used to encourage the sale of the company and force the founders to find new investors to purchase it. An example of a veto is the ability for investors to block increases in salaries or bonuses. If investors also become risk-averse, it can also prevent the acquisition of rival companies. a divided board with an independent director

added: Many boards have an equal number of internal and external members, with an independent director filling the additional position (i.e., a director who is not a major investor, current executive, or founder). A three-person board would consist of the independent director, the investor, and the founder; a five-person board would consist of the independent director, two investors, and two founders. Founders and investors are frequently in agreement on boards with more than three members, giving the independent director the "deciding vote" anytime a majority decision needs to be reached." (Wasserman, 2013, 490)

4.8.1 TIME MANAGEMENT AND BOARD SIZE

In order to manage a board that isn't too large and doesn't require much time, it's vital to allow time for board preparation and management.

4.8.2 SUBCOMMITTEES OF THE BOARD

Specialized teams are formed by subsets of the board of directors to make decisions in various areas, such as marketing and compensation.

4.8.3 Staging as a control mechanism

The most obvious strategy for VCs to influence decision-making is to take over the board. A less direct but no less effective strategy is to "stage" your investments, which means allocating smaller sums of money sequentially as opposed to allocating the entire sum of money the firm will require at front. When a startup needs money to grow or simply to keep operating, VCs are aware that this is the time when they will have the most impact over it. (Wasserman, 2013, 495)

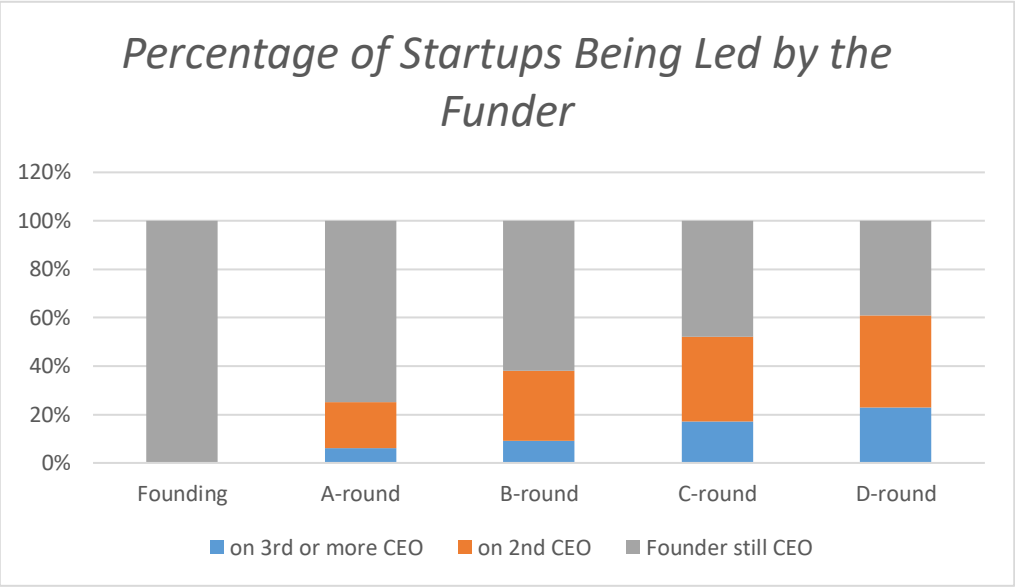
A venture capital company may demand these modifications as a condition of its initial investment if its due diligence prior to the round of fundraising reveals issues it wishes to address before committing to invest. Each round of funding also gives the VC a significant control mechanism over the startup. The VC evaluates the startup's chances before each new round and determines

whether to reinvest in the subsequent round, make new demands before reinvesting, or forego the investment. If the VC decides to reinvest, it will endeavor to give the business enough money to hit its subsequent significant milestone. (Wasserman, 2013, 496)

The founders may be able to maintain control over the board and important decisions by refusing investments from professional investors, but doing so puts their ability to fill gaps in the startup's human, social, and financial capital at risk, making it more challenging to quickly introduce a better product or service to market. Contrarily, raising capital from outside investors can give entrepreneurs access to the tools they need to boost value at the risk of ceding control. (Wasserman, 2013, 498)

Leverage to take control

One technique to exploit control is, if at all possible, to approach investors after a product has been produced and there is cash flow. Another method is to have multiple venture capitalists and distribute the board seats among them to prevent any one of them from dominating the group Before running out of money, bargaining with the VC.



	Founding	*A-round*	*B-round*	*C-round*	*D-round*
on 3rd or more CEO	0 %	6 %	9 %	17 %	23 %
on 2nd CEO	0 %	19 %	29 %	35 %	38 %
Founder still CEO	100 %	75 %	62 %	48 %	39 %

Figure 13 Percentage of Startups Being Led by the Funder (Wasserman, 2013, 428)

As they are best able to face the technological contingencies and challenges of that stage, founders with relevant technical or scientific expertise, like Lew, are frequently the greatest leaders for the product development phase of the firm.

However, the company becomes far more complicated and the CEO faces drastically new obstacles after the good or service has been built and is prepared to be marketed. The startup is no longer mainly a group of engineers working on a product. New features like sales, marketing, and customer support must be included. Lew, a technological founder-CEO, had to purchase his first suit in order to conduct a sales call. Now, he or she must evaluate and recruit salespeople, comprehend how their motivations differ from those of technical geniuses, and more.(Wasserman, 2013, 522)

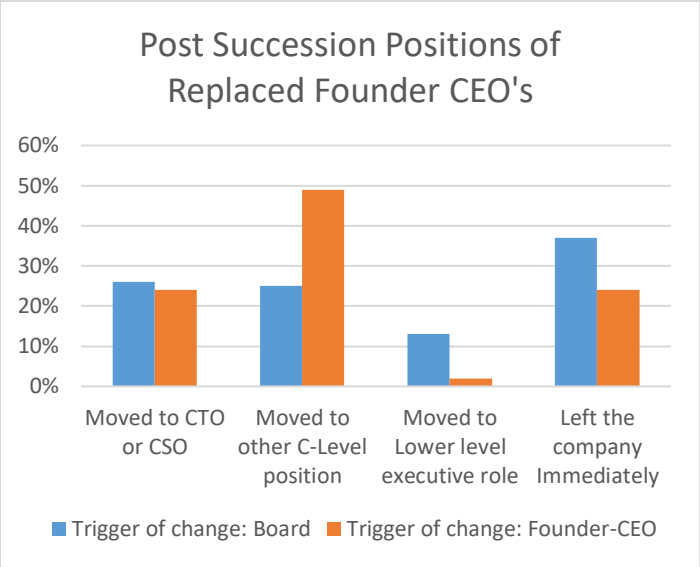
Few startups choose a replacement from among the executive team. The new CEO is typically brought on board to implement significant changes, whether they be in the team (e.g., removing co-founders or early recruits who aren't working out well) or organizational culture (e.g., shifting from Lew Cirne's "family culture" to a professionalized one). In other words, the new CEO is hired to perform tasks that the founding CEO was unable to perform or would not perform owing to a lack of knowledge, skills, or because of deeply ingrained mental models or schemes (given his non-patrimonial motivations or his attachment to long-standing participants or the original strategy or idea). (Wasserman, 2013, 532)

CEO SUCCESSION DEADLINES

According to a dataset on founder-CEO succession, 6% of businesses appointed a new CEO in the same month that the choice to replace the founder-CEO was made. The quest typically takes forever. Less than one-third of the startups hired their CEO within a year after making their original choice. (Wasserman, 2013, 535)

The Wily family culture encouraged even more participation from those who were not on the board in the hiring process. Early on in the hiring process, Lew adopted an open hiring policy. To ensure that the team was at ease with the recruiting process and that the new CEO fit with Wily's culture, he asked the majority of the company's top managers to attend interviews and study resumes. The better applicants were scared off by this strategy, though. "When you include everyone in it, the procedure soon turns into a

referendum, which can be pretty unpleasant for serious candidates," observed David Strohm, VC of Wily. Additionally, it may produce a "lowest common denominator" outcome, with the candidate appearing less dangerous or more endearing to everyone in the room. (Wasserman, 2013, 538)



	Moved to CTO or CSO	*Moved to other C-Level position*	*Lower level executive role*	*Left the company Immediately*
Trigger of change: Board	26 %	25 %	13 %	37 %
Trigger of change: Founder-CEO	24 %	49 %	2 %	24 %

Figure 14 Post Succession Positions of Replaced Founder CEO's (Wasserman, 2013, 455)

A founder-CEO will typically fight his own succession, especially if he is successful. Such resistance can be exceedingly harmful to the company and even dangerous. For this reason, a lot of professional investors try to determine whether the founder-CEO would withstand an investor-driven succession when the time comes as part of their due diligence before making an initial investment. They determine whether the founder-CEO is motivated by control of the firm than by financial rewards in what one VC called a "rich vs. kings test." If it's the former, a lot of VCs won't invest because they anticipate the founder-CEO to resent succession if it becomes (in their opinion) inevitable. This resentment could cause the firm to fail or at the very least significantly lower its value. (At a minimum, the succession is probably going to be incredibly uncomfortable and unsettling.) If the latter is true, venture capitalists (VCs) can be more certain that the founder-interests CEO's will be in line with their own (financial) objectives and that they are more likely

to concur with them on the need for a new CEO who can better advance their shared interests. (Wasserman, 2013, Noam. The dilemmas of the founder" 550)

When it's time for a change, investors should make it clear to the founder exactly what the new CEO will be able to do to increase the startup's value that the founder cannot. For instance, the professional CEO has deep sales experience that will be immediately useful and lacking in the founder, the professional CEO has successfully managed a complex startup while the founder hasn't. (Wasserman, 2013, 551)

Even the world's best speedboat captain cannot operate an oil tanker. The best person for the job at that point in development is not necessarily the best leader. (Wasserman, 2013, 553)

INTERIM CEO STRATEGY

Some boards employ an interim strategy to ease the transition rather than imposing an abrupt and permanent change. Clark Evans was appointed by Lynx Solutions to serve as a "bridge CEO" for just 18 months. Clark wanted to support creators "bring stability to one fast-growing little firm, and then leave to take on the next one," as company founder James Milmo put it. Clark changed the strategic course by introducing formal procedures and institutions. The founders felt less threatened by Clark since he was the interim CEO, which lessened his tenure.

While granting the startup the new skills necessary for moving on to the startup's next stage of development, with regard to the loss of control. Another tentative strategy is a two-stage transition, like Les Trachtman's at Transcentive, where a prospective CEO is hired as a non-CEO executive who could ultimately take over as CEO once the founder, a prospective successor, the board, and the rest of the startup become more at ease with such a transition. (Wasserman, 2013, 555)

Getting the support of the predecessor: the actions of the new CEO

Additionally, the new CEO might be crucial in winning over his predecessor's

support. Les Trachtman succeeded Mike Brody at Transcentive by paying special attention to the Three R's that influence conflicts inside a startup team:
• Interactions. He took a lot of time getting to know the founder, the business, and the staff. When Mike urged him to take on the role of CEO, his dedication to Transcentive was already strong from his time as a consultant. However, Les insisted on assuming the position of vice president of operations first. This offered him a firm base to take over whenever he accepted the CEO role and helped him evaluate the situation before deciding whether to accept it. By the time Les assumed the role of CEO, he and Mike had a productive working relationship, Mike recognized Les' skills, and they had grown to trust one another's intentions. (This was in stark contrast to Les' first venture as a professional CEO, Megaserver, which launched right into action without having a prior working relationship with the president or previous founder-CEO.) (Wasserman, 2013, 556)

The best strategy combines excluding the founder from activities they shouldn't be involved in with include them in particular decisions. Sometimes the founder will take over and be in charge of a certain task for which they are particularly qualified. Lew felt more appreciated as a member of the startup at Wily, for instance, where Richard Williams kept Lew dedicated to hiring while also providing Richard with information into how each candidate would fit into Wily's culture. Other times, the startup's founder might be better suited for a "special projects" position that lies beyond the startup's core functional areas.

Rewards. One of Les's most significant decisions may have been to assist Mike in acquiring significant fortune but simultaneously having to give up control. He negotiated a partial sale of the company to two strategic partners, but he paid the founders and original workers who had recently been let go as part of the transition most of the proceeds. He explained to them the impact on both him and his predecessor of this "half acquisition of the founder." (Wasserman, 2013, 557)

In other firms, the board may offer the founder a "CEO transition" bonus or more granted capital as financial incentives for a seamless transition. (Wasserman, 2013, 558)

Boards and founders should view founder-CEO transition as a process rather than an event. It is possible that the process starts even before investors take

part in their first round of funding since they must determine whether the founder-purpose CEO's would impede or facilitate a seamless transition, should the need arise. Investors should then freely examine the prospect of succession and the circumstances that might lead to it. (Wasserman, 2013, 559)

Sigma Partners venture capitalist Bob Davoli explains this development as follows: Let the CEO run the business, (a) the board should recognize issues as they arise and attempt to engage with the CEO to find solutions, (b) and, (c) if that doesn't work, "fire him." 14 This strategy is known as "train, then replace" by other VCs. (Wasserman, 2013, 559)

A business owner seeking funding may respond, "Okay, sure, I'll do whatever it takes," but he or she may be thinking, "I'll prove to you that I can do it all! Even when directors believe they have communicated the succession plan, they must acknowledge that it is possible that the message wasn't received clearly, wasn't taken seriously enough, or wasn't communicated at all. (Wasserman, 2013, 560)

Founders must seriously consider their fundamental motivations before making actions that are compatible with them. (Wasserman, 2013, 561)

What is entrepreneurial activity? "A process by which individuals seek possibilities without regard to the resources they now control," is an often-used definition. 1 That may sound straightforward, even romantic, but there's a downside: When the founder of a high-potential firm decides to follow an opportunity regardless of whether they have the necessary resources, one crucial element—and frequently multiple crucial elements—are almost always absent. According to one study, founders are 60 times more likely to have scarce resources than to have access to everything they require. However, seizing an opportunity necessitates having all necessary personal, social, and financial resources. 3 A startup's chances of success increase with the amount of resources it can control and the speed at which it can do so. (Wasserman, 2013, 565)

It is necessary for entrepreneurs to forfeit priceless assets in order to attract external resources, especially those that are limited. In exchange for their contributions to creating a startup's value, third-party resource suppliers

frequently want two crucial things: economic ownership and authority over decision-making. Regarding ownership, resource contributors are usually persuaded to offer their resources in exchange for the chance to receive a portion of the profits if the business is successful. In exchange for the skills and connections they contribute, co-founders and workers who recognize their own worth want to be included in crucial choices. Investors also seek some level of control over the organization's decision-making in return for their advice and funding. There are two ways that a startup's control might be questioned: whether the founder continues as CEO or is replaced, and if the board of directors is under external or internal management. Founders who are unwilling to give up ownership and control of one or both forms will have a harder time getting the funding they require and won't be able to fully take advantage of the potential they see.
The choice of which resources to acquire at what expense in terms of proprietorship and control appears to be at the core of each of our fundamental problems. This conundrum is the source of all other conundrums. (Wasserman, 2013, 566)

The majority of entrepreneurs set out on their entrepreneurial travels with enthusiasm and assurance, aiming to create a successful firm that they can manage for the rest of their lives. They aspire to follow in the footsteps of notable founders who succeeded in both value creation and control, such as Microsoft's Bill Gates or The Body Shop's Anita Roddick. Few entrepreneurs are able to maximize both goals, though, as activities that enhance one necessarily undermine the other at each step of the startup's development, and the majority of founders are forced to choose between one or the other of these aims. The conflict between accomplishing one and the other is inherent, in other words. (Wasserman, 2013, 567)

Potential Participants in the Startup	*Decision Area*	*Decisions Oriented toward* ***Maintaining Control***	*Decisions Oriented toward* ***Maximizing Wealth***
Cofounders	Solo vs. Team	Remain solo cofounder (or attract weak cofounders)	Build founding team, attract best cofounders
	relationships	First look to immediate circle for "comfortable" cofounders	Tap strong and weak ties to find best (and complimentary) cofounders
	Roles	Keep strong control of decision making; hierarchy	Give decision-making control to cofounders with expertise in specific areas
	Rewards	Maintain most or all equity ownership	Share equity to attract or motivate cofounders
Hires	Relationships	Hire within close personal network (friends, family and others)	Agressively tap broader network(unfamiliar candidates) o find the best hires
	Roles	Keep control of key decisions	Delegate decision making to appropriate expert
	Rewards	Hire less expensive junior employees	Hire perienced employees and incent them with cash and equity
Investors	Self-fund vs. take outside capital	Self-fund; "bootstrap"	Take outside capital
	Sources of Capital	Friends d family or money-only angels; tap alternative sources (eg. Costumer prepayments or debt) if possible.	Target experienced angels or VCs
	Terms	Resist investor-friendsly terms (e.g. reduce supermajority rights)	Be open to terms necessary to attract best investors (e.g. supermajority rights)
	Board of directors	Avoid building official board; when built, control composition and makeup	Be open to lose control of the board if necessary to get best investors and directors.
	Trigger of succession	Avoid succession issue until forced	Be open to intiate succesion when next stage of startup is outside of own expertise.
	Openness to Succession	Resist giving up CEO position	Be open to give up CEO position to better CEO
	Desired role after succession	Prefer leave than to remain "Prince"	Want to remain executive in position that matches skills and preferences
Other factors	Preferred rate of startup growth	Gradual to moderate	Fast and explosive
	Capital intensity	Low capital intensity	High capital intensity
	Core founder's "Capitals"	Well equiped to build startup without too much help	Important gaps that should be filled by involving others
Most likely outcome		Maintain control; build less value	Build financial value; imperil control

Figure 15 Wealth VS Control Dilemmas (Wasserman, 2013, 475)

Consistent control-related decisions include: (a) remaining sole founders or selecting only co-founders who will allow the founder to retain control; (b) hiring inexperienced staff while maintaining control over decision-making; (c) self-funding or only seeking funding from investors who do not interfere with the founder's control; and (d) choosing to remain CEO throughout the startup's lifecycle.

advancement of startups. Such entrepreneurs aim to largely rely on their own human, social, and financial capital and assume full responsibility for the creation and execution of their objectives. These founders are more likely to retain control for a longer period of time, according to the facts, but their stock holdings are less valued in the end. (Wasserman, 2013, 570)

A second kind of founder (a) looks for co-founders whose skills fill in critical gaps, (b) recruits experts who take charge of their areas of expertise, (c) raises money from investors whose contributions to the startup are sufficient to justify the control they demand over decisions, and (d) anticipates the point at which someone else will be able to lead the startup more effectively during its subsequent stages of development. The founder who is making wealth decisions is willing to go to any lengths to attract a co-founder, hire, investor, or potential successor if they would add a valuable component to the startup (abilities and human capital, contacts and social capital, or financial capital), even if doing so puts the founder's own interests at risk. Many founders, especially first-timers who have not yet experienced the results of their decisions or do not have an experienced mentor to guide them, frequently do not realize that their first decisions are taking them in one or another of these directions.

Founders must "decide rather than default"; systematic consideration of early decisions can lead to significantly better results than an accumulation of reactive judgments. (Wasserman, 2013, 571)

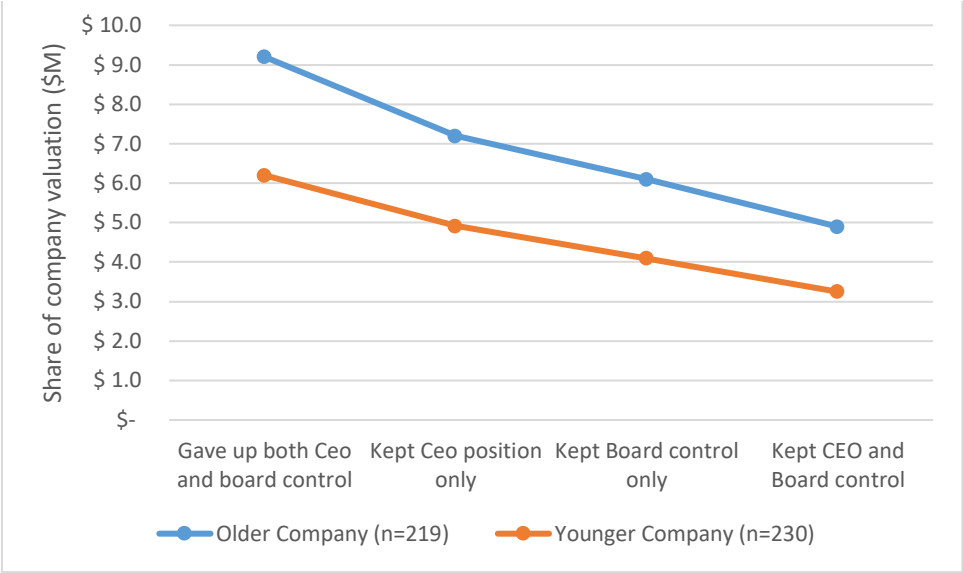


Figure 16 Best Paper Proceedings of the Academy of Management, 2006. (Wasserman, 2013, 481)

Making a comparison between the cost of debt (interest rate) and the cost of financing through stocks, financial pay like dividends, and obviously in terms of control are important points of analysis when deciding what type of financing to use. Taxes also need to be taken into account because they can be deducted from the interest paid on loans.

A dataset that adjusted for a wide range of founder and startup variables, such as capital intensity, industry segment, and company maturity, contained 1,658 tech firms that responded to questionnaires between 2005 and 2009. The statistically significant findings revealed some consistency that persisted throughout our fundamental conundrums, as outlined below:

Hiring: Solo founders preferred younger, less expensive personnel as compared to firms with several founders.

Investors: The Solo founders raised their first institutional round of funding later in the life of their startups (possibly because investors were less willing to invest or possibly because the founders wanted to wait longer); (b) raised less money in their first institutional round of funding; and (c) were almost twice as likely to use debt, which does not dilute the founder's property, as a source of financing (which may also be due to investor preference or founder preference).

Chairman position: After receiving their first round of investment, Solo's

founders were more likely to continue holding the positions of chairman and CEO (i.e., stay a "double king").

Pre-money valuations for solo firms were lower than for multi-founder startups, demonstrating the cost that control-driven founders incur in order to succeed. (Wasserman, 2013, 575)

Financial resources are frequently limited when beginning a business, thus employment decisions must sometimes be made with some sacrifices.

When Frank Addante assembled a "B team" of unskilled individuals using Craigslist, he utilized second-rate resources for his startup StrongMail. Frank was able to lower his burn rate and boot the company while working to acquire a proof of concept by using B-equipment rather than pricey college grads or seasoned executives. The drawback was that Frank had to spend valuable time managing his employees and was annoyed by his lack of drive and initiative. However, the B team succeeded in its task of giving Frank the time he needed to establish the business, create the product, and draw the interest of VCs. Later, he acquired outside funding and replaced his B team with top-tier hires." (Wasserman, 2013, 582)

4.8.4 Control or wealth?

One finding from this study is that giving up some corporate control is frequently necessary to obtain other resources, like money or skill.

The hardest choice a founder, innovator, or entrepreneur must make is when to give up some control in order to expand the business, according to the president of Buffalo Angel Network, who was recently reported as stating.(Wasserman, 2013, 583)

Often, even though the capital is kept at the foundation stage, some of it would need to be donated to draw in talent.
Founders should carefully assess which of the resources most essential to the startup's success are lacking before choosing a wealth, control, or hybrid strategy. They should then carefully allocate money, financial resources, and attention to attract those resources. Such founders might make an effort to strengthen their resources in another area in order to make up for

inadequacies in one area. For instance, a solo founder may concentrate on leveraging capital segments to entice the best post-foundation hires by purposefully choosing not to acquire a co-founder (thereby keeping all money). Lew Cirne, a sole founder, for instance, used some of his own money to bribe his first workers after his angel investors objected to the diluting of their equity. (Wasserman, 2013, 585)

A choice must be aligned over whether control or wealth, or the desire to expand the startup, is the primary driving force behind the decision-making process.

Is one group of possibilities superior to the other? It might be in specific situations. For instance, control-oriented options will provide more challenges than wealth-oriented ones in a capital-intensive notion in a time-constrained setting. However, as long as they are compatible with the founder's primary objective, wealth-oriented options are neither better nor worse than control-oriented options. A set of possibilities that contradict one another is what is "worse," which implies that some of them must contradict the founder's primary objective. The worst-case scenario would be a collection of options that were consistently at odds with the primary motivation of the founder. (Wasserman, 2013, 588)

Coherent decisions for those priorities are crucial during the decision-making process.

Founders who lack self-awareness and experience and have unclear priorities will have a very challenging road.) In the first scenario, founders may share a common desire for power and fortune.

However, they might not be as strongly inspired by any of them, making it extremely challenging for them to come to a conclusion. In the second situation, there are at least four different sorts of ignorance that regularly hurt first-time CEO-founders.

1. They don't know how the growth stages will vary because they have never gone to a fast-growing startup, to start.
2. Secondly, they are unaware of how these drastically diverse stages will impact the difficulties the CEO and his team encounter.
3. Third, they are unsure of whether they possess the skills and knowledge necessary to handle those issues.
4. Fourth, they are less equipped to make choices that are compatible with

their fundamental motives since they have not had to consider whether they will be willing to give up control over value production. (Wasserman, 2013, 590)

It's crucial to avoid combining multiple shareholders who are motivated by control in order to prevent many disputes in the firm.
Combining a control-driven founder-CEO with wealth-driven co-founders can be beneficial if the control-driven founder-CEO is the right fit and can increase the startup's value (fulfilling both his own desire for control and the other co-founders' desire for financial gain), but it can also be contentious if the wealth-driven co-founders lack faith in the founder-capacity CEO to do so. Other co-founder motivational combinations, however, can be far more perilous. At particular, if co-founders are driven by power, they can wind up like Evan and Meg in Blogger, where the battle for control of the CEO position and key business decisions is fierce. (Wasserman, 2013, 594)

Depending on the personality, considering serial entrepreneurship is a good alternative. The first-time founder may come to the realization that "I'm a startup person who loves to get one startup off the ground and then move on to the next startup, rather than holding on to what may seem like the long work of the later stages of consolidation and formalization," as they observe the difficulties that come with the later stages of startup evolution.
(Wasserman, 2013, 599)

In my own startup experience, I prioritized control, rather than maximizing rapid growth, I turned down investment offers, for fear of losing control, thinking I could negotiate with subcontractors, one deal per client, however this turned off a strategically crucial company that would outsource some of the technology needed to keep the business going. if I had been more open to getting investment.
and share control, I could have easily obtained the services of the outsourcing company and maintained the growth of the startup

If rapid growth is where the best opportunity is, founders who want to maximize the value of businesses must be willing to consider it. Founders frequently have more control over the growth pace of the startup in specific sectors and at some points in the business cycle, for instance, in sectors without intense competitive pressures and at lower points in the cycle. On the other side, the founder may only have the choice to "expand fast or die" in

sectors where there is a high level of competitive pressure or during economic booms. (Wasserman, 2013, 602)

4.8.5 Capital intensity

Similarly, entrepreneurs who want to keep control should aim to found new businesses with low capital intensity or with little to no additional resource requirements. On the other hand, founders who wish to maximize the value of startups must be willing to pursue concepts that need high levels of capital intensity and recruit the required resources. (Wasserman, 2013, 602)
This was thought to be the case in my startup I tested in Canada, thinking it wouldn't take much capital if I managed to persuade outsourcing companies to charge per client, rather than on a fixed monthly commitment.

4.8.6 Capital social

In order to obtain various viewpoints and information that will aid the startup's success, a strong network is valuable.
Having a larger part of the company should provide an entrepreneur more control. Prior links lessen investor risk and knowledge asymmetries, which in turn lessens the amount of control investors will feel they need to safeguard their investments. Resource providers that have previously worked with an entrepreneur are typically more willing to take on risk and less likely to do something that would hurt the entrepreneur. (Wasserman, 2013, 606)

Early business success is typically attributed to founders' optimism, tenacity, and passion. These same characteristics, nevertheless, have the potential to influence their judgment and cause errors at every step of the development of startups if they are not vigilant. For instance, optimism may persuade would-be entrepreneurs to launch their business before they are ready.
Underestimate their need, ignore the risks of starting a business with friends and family, overestimate their capacity to lead a startup through its various stages of development, and fight for more funding than they actually merit.

Accepting investment terms (such settlement preferences) they don't think will ever apply to them; failing to fill the gaps with the right hires or even recognizing those gaps.

Any of these and other mistakes can undermine a founder's influence, diminish the startup's worth, or even endanger their capacity to remain actively involved or ensure its survival. (Wasserman, 2013, 614)

4.9 Exit strategy.

The timing of the exit can have an impact on bargaining power; frequently, as a startup grows due new investment series, the share of ownership decreases due to dilution. Some founders choose to exit while maintaining the ability to influence purchase discussions. By delaying until after another round of fundraising, it's possible that their stock ownership or level of board control has declined below that at which they might have negotiated the most crucial purchase terms.(Wasserman, 2013, 645)

4.10 IPOs

Initial Public Offerings, is when you take stock of your company to be sold in public stock markets, such as Helsinki, Toronto, NY stock exchange, etc. CEOs typically complain about increased scrutiny, tighter laws, and high costs associated with required financial disclosure. Frank Addante considered: "You only have a limited number of investors to manage when you're a private company taking money from investors. You select your coworkers. When you are face to face with someone, you can tell if they share your expectations and are committed to your vision. When you trade publicly, you have no idea who is purchasing stocks. Some people are evaluating it for a variety of reasons and don't understand her full vision. Others investors buy for the short term, some for the long term, some buy based on measurements and fundamentals, and some just buy because they believe in the idea. (Wasserman, 2013, 653)

5 Empirical part

Attend business events:

I attended multiple events in total over 20 times, those events are from different startup organizations and accelerators, also events in partnership with angel investors and venture capital organizations, where I learned what different types of investors are looking for and what are the mechanisms they use, as well as what kind of investments they make and their participation in the startup

Talk to different types of investors, at different types of events, on the Q and A part.

Immerse yourself in the startup ecosystem, got familiar with the ecosystem in Finland attending different events and subscribing to different organizations I found about that focus on startups.

Meet different startup incubators, in the events.

Networking to get co-founders (needed to get government funding), this one according to Y-Combinator it was recommended to find cofounders that you trust and know, rather than just strangers that you want to work with just because the skills they have.

Read several books about entrepreneurship from well-known successful entrepreneurs, besides the notes in the books section of the appendix I read fully, Elon musk- Ashlee Vance, From Zero to one – Peter Thiel, Idea man – Paul Allen, The intelligent investor – Benjamin Graham, Peter Lynch Books: One up on wall street, Learn to Earn, Beating the Street, Exponential Organizations – Salim Ismail, Peter Diamandis books: Abundance and Bold.

Partially read books: The Trillion Dollar Coach – Eric Schmidt, Principles – Ray Dalio, Be Fearless – Jean Case, The Four – Scott Galloway all of which influenced, inspired and gave me different perspectives from entrepreneurship and successful people who have created multibillion dollar companies.

I also took several classes from Coursera, Youtube, Stanford Graduate school of business, Y-Combinator, amongst others. And also took extra classes at Haage-Helia to widen my perspective about business and different aspects of business which I consider having some knowledge of those aspects will make better prepared to succeed in in future ventures.

Objective and issues:

Where to find co-founders? That was one of the crucial questions, yet after all my journey, I found out by your friends and family networks tends to be the best wat, according to Y-Combinator, however there are several online resources to find cofounders also, like Y-combinator's own platform for cofounders, and other platforms like AngelList, etc.… one could use Reddit also for example.

How to convince co-founders to join? This part was another question that was giving me troubles given that, according to Investors, they want to see a solid team, in order to feel ok about funding a startup, yet for example in the case of software developers, I tried to persuade them to work in some startup projects, however no one was willing to leave their well-paid and relaxed job to join a startup that might fail.

Therefore my conclusion which now seems obvious, but arriving to it wasn't obvious to me at the beginning at all, it is simply try to make conditional offers and tell them to commit to work in the project but until it gets funded, that way they can keep earning money if they work in the project, it gives the investors the team they ask for and also it doesn't jeopardize the steady jobs the cofounders currently have, so it is less risk for the potential co-founders also.

Also on the way I discovered about Vesting which is a common practice in the startup world and which I wrote about from the sources I used to write this thesis.

6 Thesis development task.

Attend startup business events, Ask questions and network, Request business accelerators, Bootcamp of Cambridge, Summer of Startups, Kiuas Accelerator

Describe and justify the choice of methods or project plan.

It is the best way I can think of to meet other companies that are already operating, see what kind of competitions are being held and what kind of companies are being financed.

Part of the empirical part that I did even before I studied business, was to try to build a startup in Canada and also have my own business in Mexico, selling computers.

7 Discussion

In general, there are so many variables, in the creation of a business, so many different interests and motivations, from different stakeholders, including the time to make a decision, or evade it, the courage and ability to communicate, and to some extent being able to commit, or evaluate what you are willing to commit to the long-term success of the business.

It is important to have a lot of energy, mental energy, to deal with a lot of situations and strongly emotional decisions, such as negotiating equity, as well as it is important to weigh different other personal aspects when doing business with friends and family, since sometimes in business, you have to choose between personal relationships and the well-being of the business, which can be a painful and quite difficult choice.

A key I gained from this process is to always take into account your motivations, and also the motivations of other stakeholders, whether it's just to make money, or to stay in the company and make it bigger, decision-making power can also be a motivator for some talented people and investors. Which needs to be played masterfully to achieve great success.

It also takes some degree of humility, however combined with confidence and determination, humility to see your own limitations, as in the case of having to choose a more experienced CEO in the case of a fast-growing startup company, like what happened to Google, however, keep in mind that maybe the founders will have more passion for the company, as in the case of Mark Zuckerberg, Steve Jobs or Elon Musk, who have not relinquished power. Interim CEOs may be an option that I also did not know about before.

Another important point that has stuck with me is the importance of having investors who contribute more than just money, their networks, to acquire talent, and experience and knowledge can be useful in some cases, however, in the case of highly innovative companies, the passion, vision and courage of funders will play a vital role in the decision-making process.

Flexibility to some extent to maintain a good working environment, and motivation among shareholders is crucial, if the terms become too rigid, can backfire later on if it is later found that compensation, for example, does not match the tasks or amount of work performed by different employees.

The dynamics of work and tasks can also change with different stages of development, and that should be thought about in advance as much as possible, however always maintaining a balance between planning and execution, given too much planning and not enough execution slows down peace, and also too much execution and not enough thinking can be costly. Also hiring people with experience in large corporations that have well-defined and rigid roles can be detrimental to a startup that requires adaptability and the ability to do different things when necessary.

The pros and cons of different investor options, and the risk aversion they have, it's important to also take in consideration the timings of your fund/exit strategy. Dividing the seats between investors is a good strategy to evade concentrating control on one investor, technical versus business stakeholders have different motivations, consistency in motivations between each decision is important to maintain. The reluctance to cede some control makes the startup less attractive to other stakeholders.

An essential learning is to keep in mind: "What resources to acquire? At what cost in proprietorship and control?" and how much does that affect the value created?" A metaphor frequently used is, "if you want to have a whole small cake or a piece of a much larger cake."

8 Suggestions for future research.

One of the books I've read by Peter Diamandis on exponential organizations, and how to create companies that make impact, explores the fairly new concept of crowdsourcing, this is like crowdfunding, however also works to get talent, and it's an idea that I plan to explore as well, as a new alternative to accelerate growth in the creation of startups.

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1 Appendices

1.1 Business Event Notes

1.1.1 New CO FIBAN

● IRR 25% Finland, UNITED STATES 27%, United Kingdom 22%

● Invest a smaller round, then follow up if they like what they see and move on again. ● 28 hours per month average investor time

● Syndication of the shareholder agreement, many angel investors in a contract is more effective

● Financing only when needed to drive growth

● Time and money invested

● 100k. 2m max 5m good for angel investors
● Rapid growth and scale in the near future.

● Problem and solution more efficient than anyone else

● Team and abilities are almost everything

● Step by step actions

● Actionable real steps that you can actually execute

● Scalability: You have to have a business model where you can multiply by a thousand ● Don't burn money if you don't have to.... Save money everywhere you can.... Customers' money proves that your product works and is accepted in some way

● Know where the money comes from and where it goes

● Adaptable to change, recommended

● Market people and hardcore technical people, they argue a lot, however then they can compromise ● Red flag if they outsource software development...

● Aalto entrepreneurial partnership to look for co-founder....

● Able to work together and a deep understanding of what they are doing and a reasonable time to make money

● FIntech, software, easily scalable. Viewed positively by investors

● Medtech is difficult because you need big pockets... and very heavily regulated... ● Equity crowdfunding platforms, ICO is an unknown type of crowdfunding ● How will tax authorities view your investments?

● Marketing expenses, both in the center and in the example. (Much of it in marketing)

● Raise money with 3 months minimum anticipation (funding round)

● Pitch deck:

● -Presentation

● -Email presentation understandable just to read, concise and well structured that they can read when they read it.

● Fiban services are FREE.

● Every six weeks of launch event, all selected companies obtain feedback from investors and are reviewed by several people.

● Help with syndication

● Contract templates

● 1/3 invited to launch, and a third of that gets investment.

● They examine only companies that have enough materials to examine them, answer all questions, make sure the materials look good!

Term Sheet: Non-Binding Terms (Gentlemen's Agreement)

● 2) Binding terms
● -confidentiality (investors never sign NDAs before the term sheet)

● -Exclusivity

● -Transaction costs

Shareholders' Agreement:

● Governance (right of veto)

● Good bad lever terms

● Correct information

● Veto rights even if they have minority stake.

● Good/bad terms of departure

● Period of work obligation 2-5 years typically, 4 years typical

● Purchase of unacquired stock.

● Bad leaver, starting price, good leaver market price.

● 90% of the property can force the minority of 10% to sell the necessary drag if less than 90% ● According to Finnish law, the rights to information are not so broad, they usually ask for additional rights to the agreement.

● Common average price from the first round to the current one when the investor rounds of the first round want to invest more

● Capital investment

● The Helsinki City* traveler grant requires the contractof the shareholders.

● Pitch Finland Event

1.1.2 VENTURE CAPITAL Aalto Ventures Program

Introduction by someone they know and trust

2-3 months to close the investment round

Prioritize companies introduced by someone else, try to find a common connection Being in Finland is good because the community is small and networking can be more effective!!!

Need to think that the company will grow or else it does not make sense to

invest Know the market and competitors well

Home Helia #3

Carbohydrate counting for diabetes DK accelerator scaling
hedia.dk

Inicio 2 vDNA yup

DNa, microbiome and blood tests, personalized wellness plans

Vdna.co

Startup 1 Tribe NO

Japanese community

Mentor de Heimo

CHECK IF THEY HAVE INVESTED IN YOUR COMPETITORS

Joonas J. Juvonen

*Tuomo Laine / medium.com/@tikilain

1.1.3 Financing of NEW CO Business:

-Risk/return profile

-Meaning of beginning?

Investors are looking for:

Market Technical Team

Tekes Tempo funding 2 guys (1 full-time)

30k equity + debt

50k never returns!

99% obtain funding

● When it is bankable very easy to get funds

● It can be a niche as long as it's big enough

● Blue ocean, new

● Red Ocean, the competition is already there

Able to tell investors

-This is a good opportunity for you to earn money

Pre tempo ratings?

-Charge if results are obtained Consultant

A good vc comes from a startup background

-IPO for advertising and visibility, and also financing

● Successful crowdfunding can bypass venture capital and go straight to the IPO

● Automation later,

● Validate more if you have a product you have sold
● Planning 1%, execution is 99%

● Abilities, passion, attitude of preparation for everything.

● Good plans, they have to be very good to change plans and execute them.

● Good execution + average or good idea

- Initial grant

● Founders+Friends+Family Trust, validates with investors

● Convertible loans, options mechanisms to protect one's own interests and the participation of the company.

● Crowdfunding, startup sauna mgr...

● Crowdfunding can be used for shots. (Shortcut for higher income (financing). ● Crowdfunding, for physical product

● Capital financing, many investors, larger shareholder meetings. (Double-edged sword) ● Evtec

● Large research and development companies obtain public funding through universities.

● PDF starting business as an immigrant on the new Co Helsinki website

● Nordea Startup Department

● The letter of intent is not good enough.

● Conditional money taken if a private loan is obtained.

● SME Instrument seed horizon 2020.

● Helsinki pays 50% if it hires unemployed people.

● If you invest in the competition, you will not be funded due to confidentiality conflicts. ● Free web space from Amazon or Microsoft Azure.

● Coworking spaces new co, startup sauna and flux.

1.1.4 Shareholders' Agreements Kiuas 18 Sept 2018

https://www.facebook.com/events/311271842767971/

Business

Limited Liability Companies Act***

Permanence of capital, duty of due diligence of management

You use the will of the parties to interpret the wording

Statutes Mandatory Finnish law, need to register the statutes and a third party

checks them, Limited Liability Act****

Shareholder contractmay be secret and NDA may apply

The bylaws can be modified by majority, shareholders only if everyone agrees

Finland everyone gets half. in Finland marriage

It made it conceivable for Maya to get all the money, the shareholder

contractis like a prenuptial contractfor companies.

The background of the contract can be used to interpret other clauses
Duty to sell or offer redemption, as a sanction Vesting... Good/Bad leaver

The establishment of the price contractcan be based on a mathematical formula

Controlling property, agreeing on divorce or death... Agree to include in the

prenuptial contractor testamentary clauses about the business

The duty to work is stronger when done in a shareholder contract

You are the one who should give the material for lawyer and he will write

Around 1000 euros for the shareholders' contract

EXCEPTIONS, SERIOUS ILLNESS

**Checkbook Founders' Dilemmas - waserman

**Startupwise

1.1.5 Investment class AVP 15.12.2017

Deep-sea horizon film

One up on Wall Street Peter Lynch

Learn to win, same

Joel Greenblatt

Howard Marks identified IT bubble and financial crisis

Stock price check:

Morningstar

Gurufocus

Searching for Alpha P2P

Inderes (FInland)

Videos:

buffettsbooks.com

Trading platform: International brokers

1.1.6 Podcasts

The Investor Podcast

AVP3:

Depreciation according to the boy is to spread the great initial investment

How does the share buyback affect the value of the company or the value of the stock?

1.1.7 HEL Tech Blockchain October 1, 2018

https://www.facebook.com/events/853503891511231/

Patent for real estate applications REal and ™

Not all smart contracts are legally binding

The energy consumption costs of Blockchain technology are currently an release
PSD" for remuneration providers

Cryppto's supplier law will arrive on January 1, 2019

NEO token of blockchain values

1.1.8 Introduction to the startup ecosystem | Flux Sessions September 15, 2018, Microsoft Flux

According to Matti Petteri Pöntiö, Helsinki Think Company, has seen companies not realize their complete potential due to the fear of quitting work to devote themselves full-time to the startup

Contact for a conceivable partnership

Juho Kostet, Helsinki think company, Biology, coder, urban agriculture project

1.1.9 Product management | Flow session 15 Oct 2018

Think about process ideas

Moonshoots, etc...

Create structure

Build a process in a way that is actually used

Manage backlog

Find a minimum market that is actionable, segment market where you can validate the product Vision is the most effective tool for communication

The benefit is like oxygen, however life isn't just about breathing.

PRINCIPLES OF LEAN INITIATION.

WALLS

WALL

YOUNG
The Five Dysfunctions of a Team Book
Roles de SCRUM

Approach everything as an experiment to validate and improve the product
Abdominal tests, evanmiller.org
Dunning-greuger effect, when overconfidence in abilities is a barrier to being a better HERO CEO, good at sales and good at product manager
Ego, CEO/founder wants to own the vision, and wants to do the most important things and delegate the rest.
KNOWING-DOING gap, most CEOs know what to do, however doing so is the point, accountability issue, having good VCs can help you be responsible
McKinsey Valuation thesis notes and other books
Future status limited by operational performance measures:
-Customer penetration rates
-Average revenue per customer
-Sustainable margins

1.2 Book notes

1.2.1 McKinsey valuation

Determine how long hypergrowth will continue until it reaches normal: Usually 10-15 years (McKinsey)
Establishing how a company meets a need to estimate potential market size
Understanding how startup makes money is CRITICAL
One way to put Yelp's revenue growth into perspective is to compare it to the revenue growth of numerous Internet companies founded in the late 1990s. To do this, we compared Yelp's revenue to the first five years after each company reached $10 million in revenue (see Annex 32.7). One way to put Yelp's revenue growth in perspective is to compare it to the growth of numerous Internet companies founded in the late 1990s.

Between 2009 and 2013, Yelp increased revenue from $12.1 million to $233.0 million, surpassing even most top internet companies that exceed the same threshold. Still, Yelp still trails Google, the undisputed leader of the Internet, which reached $1.5 billion in its first five years.

data. Small miscalculations in individual forecasting elements can be compounded by large errors in the aggregate. So, always look for smart

checks to test your forecast.

Operating Margin Estimation, Capital Intensity and ROIC: With a revenue forecast in hand, the next forecast of long-term operating margins, required capital investments and return on invested capital (ROIC). To estimate operating margin, triangangle between internal cost projections (versus market prices) and operating margins for established players.

To estimate future cash flow, you must also forecast capital requirements. And explain this: dealing with the uncertainty associated with high-growth companies is using probability-weighted circumstances.
Estimate a future set of finances for a complete range of outcomes, some optimistic and some pessimistic.

1.2.2 Exponential organizations, Singularity University

• The innovation of the medical effect book
equitynet, financing/crowdfunding

Stackoverflow, forum for developer solutions
Book of Exponential Organizations, Singularity University
According to Diamantis, exponential organizations are organizations that somehow improve efficiency for at least an order of magnitude, so 10 times better, maybe 10 times cheaper, and ten times more efficient.

The cost benefit is multiplied exponentially, for example, if you have a product 10 times better and 10 times cheaper, then you have a product 100 times better value 10^2=100 So you are giving 100 times better value.

Exponential organizations are usually easily and quickly scalable, hence comes exponential growth (vitality), which can reach billions of people easily.

Internet technology makes it conceivable to easily reach new customers, since infrastructure investments are dramatically lower than a traditional company that needs to buy warehouses, vehicles, etc.

1.3 Notes of online courses

1.3.1 Introduction to Venture Capital RWTH Aachen Online Course

Venture capital funds usually have maturity dates of 8 to 10 years, so it's

normal for VCs to push owners to sell when they want to get out and profit from it.

VC do due diligence (research startup)

Vesting contracts, contracts to prevent entrepreneurs or team members from leaving the company, offering performance-based actions, for example... milestones reached, or time working in the Joint Enterprise release actions after milestones, whether time working on company milestones or goal accomplishment milestones, serves as a motivator to stay and work hard in the company,

Venture capital funds are usually started by entrepreneurs who got rich and convince other investors to invest money in the fund, several funds may have the same management team.

In general, VCs have an exit strategy, and they worry more frequently about liquidating their stock when they see fit.

Drag and label clauses to force sale and exit.

1.3.2 Financial Markets, Yale University via Coursera

The Free Cash Flow Method for Business Valuation, Columbia University through Edx.org

1.3.3 Inspired by the success and failure event:

Inspired by success and failure

Find the right words for 30 seconds attention, make it attractive, it's great, it can make you rich, we know what we're doing

WHAT THEY ARE LOOKING FOR, WHAT IS THEIR MOTIVATION, THEY ARE IN YOUR FIELD, GEOGRAPHICAL AREA...

Don't take it personally, it's just not a match... after 1.3 million

Somehow knowing when there's a real connection, you need to be able to say that bad sales are like shit and it's a bad day.

Know what you sign

I need to go out to make noise about yourself,

Plan and press to get attention, YLE tv 2 minutes be waiting, offer holo lens and get you a doctor.

Everything you want is on the other side of fear

Not everything is happening in one day,

Startuplifers.org Startups of international practices

Test the product early, various abilities of the team