



EXPERT ARTICLE

Building an Entrepreneurial Team from Scratch

By Colin Graham, Innovation Centre Sunshine Coast

Ask any experienced entrepreneur or investor ‘what makes a successful business?’ and they will typically say ‘a great team’. So what do you do if you are on your own and have a great business idea but no team to work with to make it happen? The answer is to start building a team.

It all starts with you

The first step is to honestly assess your own skill set and how this could contribute to a successful start-up team.

A start-up business needs the right mix of skills to move the business forward. Each business is different, but the roles and skills that are often common include:

- Lead entrepreneur - ability to drive the business forward, communicate the vision, motivate the team
- Technical innovator - ability to develop the product to respond to market and business needs
- Sales and marketing - ability to focus on customers, promote the business and win sales for the business
- Finance – manage the budgets and cash flow, help raise investment
- Operations – maximising the efficiency of the organisation and its administration and processes

These roles may be played by several individuals but could also be handled by a couple of people with complementary skill sets and well chosen advisors or mentors.

The key is to recognise in yourself where your skills are and then to recruit people with the skills you don’t have.

One decision that can be difficult is to assess whether you would make a good lead entrepreneur – or CEO – or if you would be better as the number two person or technical director etc. A common mistake is for a technical founder who lacks commercial skills to insist on taking the lead role. Bill Gates is certainly a passionate techie but he is also a shrewd businessman. Make sure you take an honest look at yourself.

Core management team

“Nobody’s perfect but a team can be.” Dr Meredith Belbin

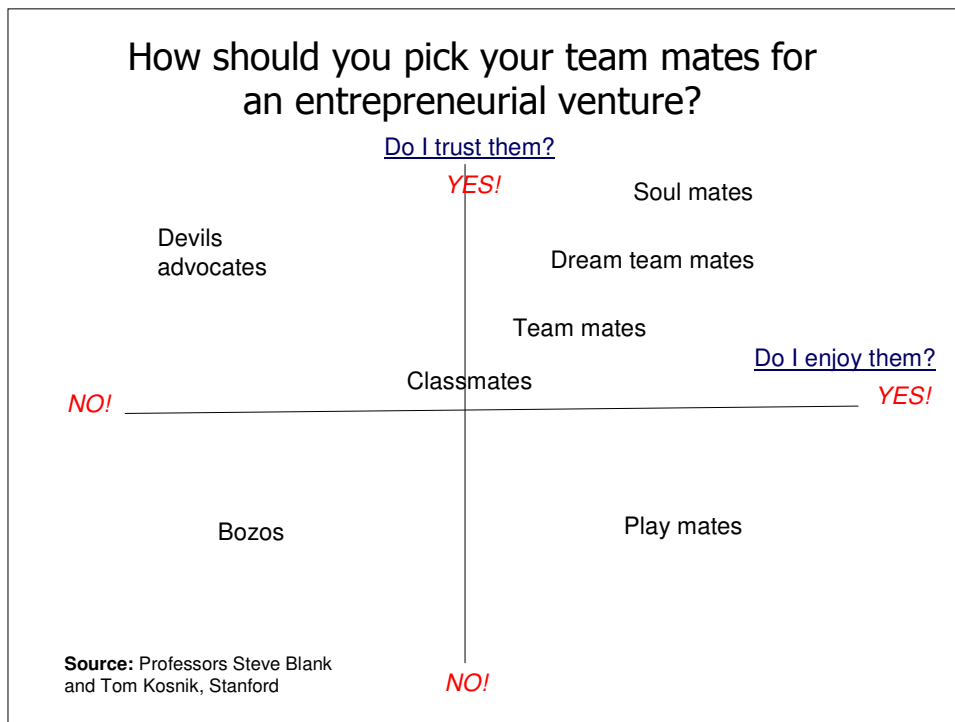
Once you have taken a good look at yourself and understand the skills you have and do not have, the next step is to find one or two other people with complementary skills to join you. Some practical suggestions to help you to find these people include:

- Start with a clear view of what skills, experience, contacts etc your business needs
- Begin to ‘spread the word’ through your network
- Consider all current and former workmates and associates – who do you know who has relevant experience and who you could work with?
- Begin to attend relevant business networking events and start building your network
- Join online groups such as LinkedIn and groups for entrepreneurs and small business
- Speak with key people at network hubs e.g. Industry Associations, Business Advisors, Incubator Managers

Once you spot potential members of your core team, issues to consider include:

- Skills, experience and networks fit
- Passion, motivation and fit with business vision and culture
- Potential for the person to invest in the business
- Ability to get things done
- The beer test – would you enjoy sitting down for a beer with this person?
- Think very carefully before going into business with friends or family, it can complicate things and consider what would happen to the relationships if the business goes wrong; think first about what skills are needed for the business
- Conduct some due diligence – it is vitally important to take the time to check the person out, go through their CV and history, conduct a thorough online search; at the end of the day are you confident this person is professional and trustworthy?
- Timing – when is the best time to bring the person/s on board? Consider the financial position of the new management team member and the business. One approach is for one person to take the lead and work full time to get the business to a certain stage and this could trigger the second person coming on board - be careful about bringing on too many people, too quickly.

The diagram below from Professors Steve Blank and Tom Kosnik of Stanford University offers an interesting and useful perspective:



Working together

When you have the ‘dream management team’ in place together it is important to work hard on establishing effective ways of working together, for many people this includes building a good social relationship and having fun.

Things to work on include:

- Getting a clear business direction and business model
- Learning as you go, some things will work and some won’t – the trick is to make sense of the experience and do something differently next time
- Have weekly team meetings to communicate, track progress and set direction
- Hold regular ‘Focus’ or planning sessions – at least quarterly, possibly more – to step back from day to day business and take a look at where you are at and where you want to be
- If there are only 2 people in the start-up team consider using a trusted independent facilitator to help run these ‘Focus’ sessions and use them as an opportunity to get away from your normal place of business
- Building the business culture you want, it all starts from the founders and the first months of the business

Find a mentor

Many entrepreneurs benefit from discussions with experienced business people who are often open to acting as an informal mentor and effectively act as part of the extended business team. The ideal mentor will have:

- Relevant business experience
- An extensive network of business contacts
- A personality that clicks with yours
- An appreciation of what you are trying to do and your vision

It can be easier to find a mentor than you may think. Often the trick is to simply ask for an initial meeting. Stress that you are starting a new business, that you would appreciate 30 minutes of their time and the benefit of their experience. If the first meeting goes well, then ask if they would act as a mentor for you - again, stressing that it would not take a lot of time and that you would value their experience. Many people are happy to help the next generation of entrepreneurs getting started – so if you don't ask, you will never know if someone is open to being a mentor.

Build business alliances and partners

The skills you and your business need do not all need to be 'under the one roof' or work for you directly. Many entrepreneurial businesses find it works well to strike up alliances or to outsource to other businesses. For example, a strategic online marketing business may outsource work to a technical web business, a graphic designer, a photographer etc. So all the talent does not need to be under one roof.

Colin Graham

Colin is the founding CEO of the Innovation Centre, a company of the University of Sunshine Coast. He has worked with over 60 start-ups in the UK and Australia. He has in-depth HR experience having set up and run his own recruitment and training business, advised many start-ups and some of the world's largest companies.