

URL: <https://stvp.stanford.edu/blog/videos/how-to-attract-great-talent>

Tom Friel, Chairman of Heidrick and Struggles, discusses the challenges of building a great team and suggests that startups can attract great talent with a number of factors, including money, self-fulfillment, belief in the mission or belief in the founder. Friel argues that to attract and retain great talent, entrepreneurs should be generous with at least one or more of these factors and sufficient on the others. Furthermore, Friel adds only a great team can make the startup a large and successful organization and sometimes this includes the replacement of founders with a professional CEO.



Transcript

It is pretty much the same throughout the world that the companies that succeed albeit they've got to have a good idea.. They've got to have enough money to get the job done.. But you will succeed or fail, I think, ultimately based on the quality of your leadership and the quality of the talent that you attract to work with you.. If you ask a question, why would great people want to come and work with you and help you build your company? People work for a variety of things.. We think about money first.. We think about show me the money.. Sooner or later, you've got to show somebody some money.. But most people will not work only for money and the people who are capable of working only for money or desire to work only for money may not be the people you want.. And they'll find plenty of opportunities to work for money.. The other things that will attract talent to your business really are more subtle..

It's opportunity.. It's self-fulfillment.. It's belief in the mission.. It's belief in you personally.. You shouldn't discount that.. Most of you don't because an entrepreneurial business by its nature is almost a messianic crusade.. It's sometimes people will follow you because they believe in the cause.. Often, you are the cause so that means by definition, they believe in you.. You can't discount that.. If you look at the question that Nick posed in terms of how you attract people - and I'll say how you attract people and how you retain people because if you can attract them but you can't retain them, you're in a cycle that won't allow you to grow - there are four or five things that you could list that motivate people..

I would urge you to think about how you can be generous with at least a couple of them.. You probably have to be adequate with the rest of them.. If you're limited in money or you're limited in equity, those are two tough challenges - and we'll talk about some of that maybe in the questions - then you've got to be generous on some of the other things.. That would be the mission, the belief, the belief in you, the opportunity for actualization and responsibility and freedom and any number of other things that people can look to you to provide so that they will join you in this quest and you can build your company with great leaders and great teams.. Fundamentally, the challenge that most of you will face - my colleagues will point out - normally not in a negotiation of the venture investment.. The challenge comes later down the line when that very difficult day comes for some, it's time for you to step aside, move the chairman, move out of the CEO world and bring in a professional.. That's actually a much better discussion if it's led by you than if it's fought by you.. Sooner or later, it inevitably will come and how it gets handled will probably have more than almost anything else that you might choose to do with whether your company stays small and successful and centered around you or whether it has the ability to scale and grow and become an enterprise of substance and size...