

URL: <https://stvp.stanford.edu/clips/think-about-the-end-at-the-beginning>

GLASS founder and CEO Paola Santana talks openly about the difficulties inherent in co-founder relationships, and strongly advises co-founders to discuss possible sticking points and protect themselves legally before starting a business together. Even the most closely aligned co-founders will benefit from carefully codifying their relationship at the very beginning, she finds, and she encourages early-stage founders to create clear and mutually agreeable terms should one founder need to exit.



Transcript

- I think that co-founder relationships are.... 00:00:08,060 Again, if you don't know that you are starting a company, and you don't know that you are a founder, and you don't know that you're an entrepreneur, in your brain you're just doing a project.. And the way of doing projects is that people collaborate what they can when they can.. And if it doesn't work, it's like, "Oh, at least we tried." So I'm a super passionate person and I'm a very high performing person, so I came all in into this project.. But I think I didn't take the time to really understand.... And people would tell me, people were like, you know, this is like a marriage.. You are marrying into something.. You're marrying with a person.. You're marrying with your investors.. And you're so focused on the problem, and on the thing you're trying to solve, and you're so passionate about it, and you're so hungry for change that paperwork or things that are important to understand and reflect on....

And that's also part of being super young, and being the first time.. You don't pay attention to these things.. So I was very lucky that my co-founder was a second-time tech entrepreneur and that from the beginning he was very, you know, insistent into having documentation done right, and done by Silicon Valley lawyers.. But still it's like, you know, we crafted this beautiful relationship of respect of very high expectations.. Like I look back and I'm like, I felt a lot like a failure.. I know we'll talk about this a bit because you and I briefly discussed about this.. I constantly felt like a failure.. I constantly felt that I was not doing enough, and I was given like three times the extra mile.. But really that was the minimum expectation.. And when I look back I'm like, Jesus, I was doing five people's jobs..

I was killing myself.. And that was the right thing to do, but probably not at the right pace, or probably not with the right dynamic that I had there.. Again, you know, I always felt, you know, coming to the table to my weekly team meeting, I felt like haven't done anything, but then I haven't slept.. So what have I been doing? And I think that if it would have not been because of my co-founder, and how strongly we believed in the vision, I would've not make it.. I remember once he sent me these beautiful postcards saying never, never, ever, ever you give up.. And I consider myself like one of the most resilient people I know, and I was about to give up.. But at the same time, we didn't have mechanisms to disagree, and we didn't have mechanisms to exit.. Exit means, let's say this doesn't work for you, or let's say this doesn't work for me, or let's say we disagree, who's the third person in the room that will make the call.. So, you know, in some occasions I started working with a coach.. It was super helpful..

Like, I started working with this coach that has coached executives from Adobe and big firms, because it gets really intense, and it's very difficult to actually manage.. And then when I finally decided to leave the company, I was very burned out.. Very! Emotionally, physically, you know, technically, and it was very hard to manage the exhaustion.. And leaving your baby and your company that you've been at for six and a half years, and live it intact like, "Oh, I'm a winner." So all these things come together, and then you cannot detach person from the business, or, you know, your co-founder from the business.. And I was lucky again, that I had.... I'm a lawyer and I had proper legal counsel to make sure that I left my company in a good way, but in a way that also made me feel empowered and made me feel, you know, that I was honoring myself and the work that I had done for six years.. It's very tricky.. It's an art to do that in a way that doesn't break relationships.. And this is why it's important to talk about disagreements and ending the relationship when you're starting the relationship.. Which of course, when you are ending the relationship you're like, "Someone told me so and so and I didn't do it." So that's like my biggest learning out of that interaction..

- Thank you, Paula.. 00:05:00,500 And I just wanna make sure that this is really clear because this is something that we don't talk about.. But specifically then, when it comes to mechanisms, as you're talking about these mechanisms for breaking up that you wish you had put in place at the beginning, specifically what advice would you give then to founders that are about to join with a co-founder and a startup? What mechanisms should they make sure that they have at the beginning to make that transition point later better? - Legal advice, even if, I mean, 00:05:30,100 if you don't have the budget to go to a legal firm that is expert in tech startups, talk to a friend that is a lawyer.. Talk to someone that has had a startup.. Check the documents or the templates.. Like you can literally call a lawyer and tell this person, "Send me a template of a founder agreement.. "Like, explain that to me." Google it, like check what legal documents you need to have in place to have a healthy.... To have boundaries and checks and balances in the relationship should you need to exit.. Make sure that anything that you sign is something that you understand, and if you don't understand, be the person that asks dumb questions.. I assure you you're gonna be happy that you asked those questions..

And then try to have a third party if you're not like.... If you're just two co-founders, or if you're a group of people but you're even, try to find someone, it can be an advisor, or it can be an independent investor.. Someone that can be that third or one arm's length person that can mediate between founders.. And if you can also have a business coach or an advisor that can personally go along with you.. Not just safe for the company because everybody, including your lawyers, your corporate attorneys, everybody is looking for the company.. But nobody is looking out for you individually as a member of the company.. So if you can have someone to accompany you, and can see the evolution, can understand and can follow the conversations when disagreements come, so you don't have to just dump all the info and tell what you're struggling with.. I think that would be super helpful at the beginning, or at any stage that you are that is not at the end stage of course...