



HIRING A **HIGH-GROWTH** EXECUTIVE TEAM

There are many factors that play a role in whether a new business succeeds—market fluctuations, unforeseen production issues, and emotional and financial stress, to name a few. But unlike these factors, which entrepreneurs have little control over, there is one vital component to starting your own business that you can be in charge of fully.

That is, hiring the right team.

Behind every great business is great leadership. Building a workforce of talented, dedicated, and diverse people could be what ensures your business makes it instead of breaks it in the competitive world of startups.



DID YOU KNOW?

Research shows that more than one-fifth of new businesses will fail within the first year, and the number continues to grow with every subsequent year.

By the ten-year mark, more than 90% of startups will have gone under.

That's why acquiring the best executive team right out the gate is a must.

The best place to begin constructing your team is with the leadership of your most important departments.

It's time to start building your executive team.



THE SIX KEY PLAYERS IN A GOOD EXECUTIVE TEAM



CEO
Chief Executive Officer

The chief executive officer is focused mostly on big-picture concepts.

They are concerned with the company's direction more generally, but are not always involved in the day-to-day operations.

If you have plans of starting your own business, it is likely you see yourself as being either the CEO or the COO of your new company. Be wary of simply snatching up the CEO title because it sounds more impressive, and consider the fact that both these positions hold a lot of power, but require different skill sets.



COO
Chief Operations Officer

The chief operations officer is in charge of the daily grind that keeps the business running.

This position is more hands-on than the CEO, and should be filled by someone who is organized, detail-oriented, and has good decision making skills.



CTO
Chief Technology Officer

CTO refers to the chief technology officer, and in 2022 this position is an absolute necessity.

Regardless of the products you sell, services you offer, or size of your company, technology is going to play a major role in getting your startup off the ground.

One survey showed that 63% of small business owners said that technology and automation helped their companies survive the pandemic.

If your startup is in the technology sector, your CTO will likely be in charge of a lot more than just managing the company website, so make sure you are hiring someone with years of experience in advanced coding, app production, etc.



PRODUCT MANAGER

The product manager focuses mostly on the production side of the business.

This person will conduct market research, work closely with engineering and manufacturing departments, and be in charge of making the CEO's ideas into reality.



CFO Chief Financial Officer

The chief financial officer is the person in charge of the company's finances. They keep track of all the money coming in and going out. Many experts agree that outsourcing is a company's best bet when it comes to hiring a CFO.

Here's why:

- Outsourcing your CFO gives your company access to experts with a wider range of knowledge and experience.
- Outsourcing saves you money because you can hire the CFO as a part-time employee, or an independent contractor, if you don't need their services full-time.



CMO Chief Marketing Officer

The chief marketing officer is not only in charge of creating a marketing approach that speaks to potential customers, they are also in charge of reaching out to potential investors. Without a well-rounded marketing/branding approach, your company will not be able to gain the attention it deserves, and therefore its growth may be stunted.

The CMO should also work with the Product Manager to spearhead the pre-production market research that many experts agree is needed to ensure young businesses don't experience what is referred to as a 'false start'.



Entrepreneurs should conduct a competitive analysis, including user testing of existing solutions, to understand the strengths and shortcomings of rival products.

Tom Eisenmann, The Harvard Business Review

BENCHMARKS FOR BUILDING THE REST OF YOUR TEAM

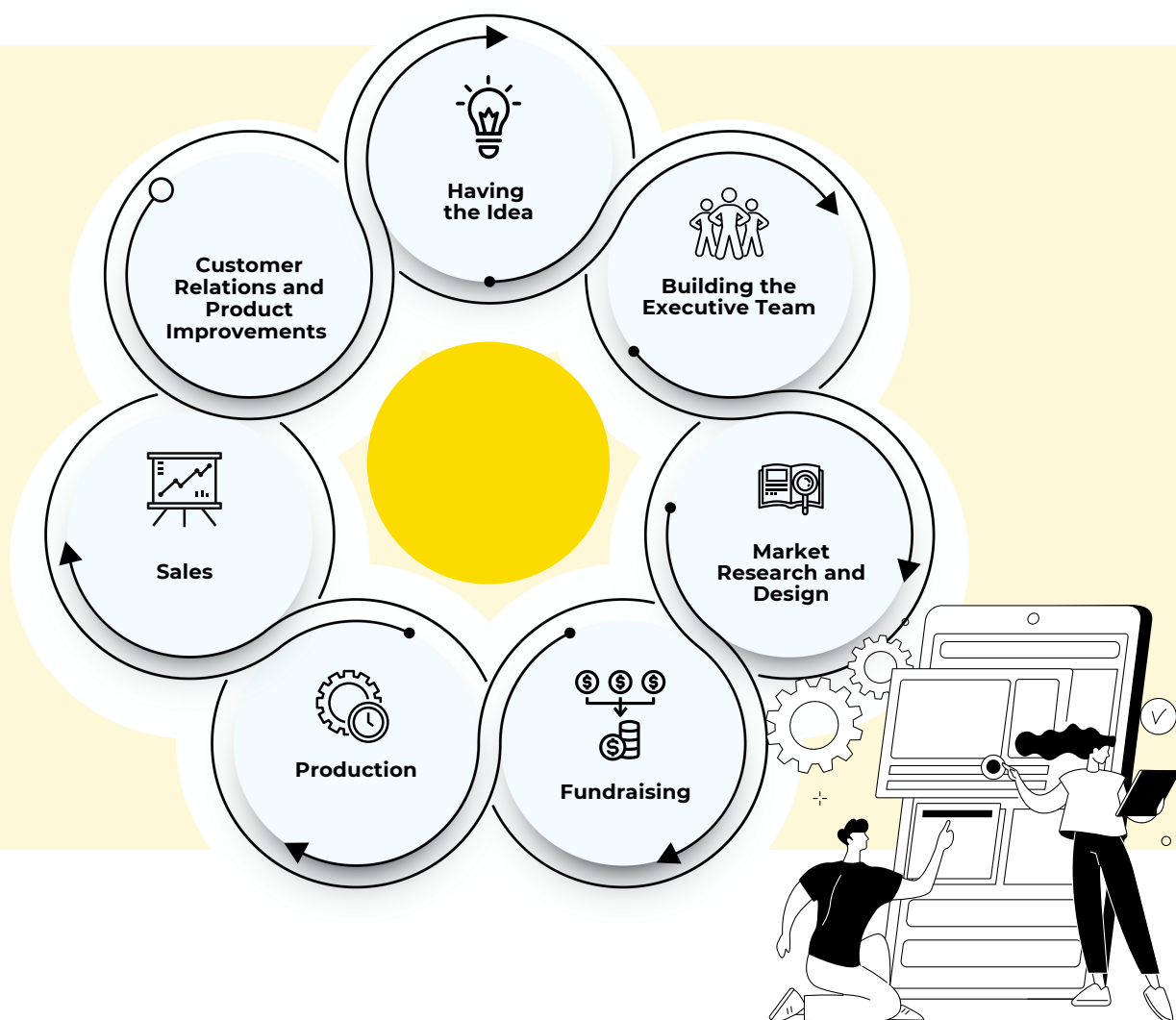
After you've found the best of the best to fill the positions listed above, and once your company moves into the later stages of production, there are two other departments that will require talented leadership—Sales and Customer Service.



Sales Department

Sales is often touted as the most important part of a successful business, but there is a reason we recommend you hold off on hiring a sales manager until further on in the startup process. You want to find a sales manager who fully understands your company's vision, your products and/or services, and your goals.

Until you and your executive team have clearly established these things, there will be nothing for your Sales Manager to sell.





Customer Service

One pitfall many new business owners stumble into is thinking they won't need a customer service department until after they've attained a large customer base.

But if you wait until then, it'll be too late. The last thing you want is for an eager new customer to call with a question or concern and find yourself without anyone to answer the phone.

Here are some helpful tips to keep in mind when building this department:

- Always air on the side of having more customer service representatives than you think to avoid long wait times.
- Train your customer service representatives to be polite, knowledgeable, and eager to help.
- Provide help to customers in multiple different languages.
- Offer a pleasant working environment, competitive pay, and good benefits for your customer service reps. Happy employees will be more patient with customers and serve as a representation of your company's values and brand image.



DID YOU KNOW?

According to a [2017](#) report from Microsoft, 96% of customers stated that the quality of a company's customer service is important to them when it comes to brand loyalty.



EXECUTIVE MANAGEMENT SKILLS

Finding a skilled and cohesive team of executives should be the top priority for new business owners. When you have the right people positioned in every C-level job at your company, everything from big-picture operations to menial daily tasks will run faster and more smoothly.



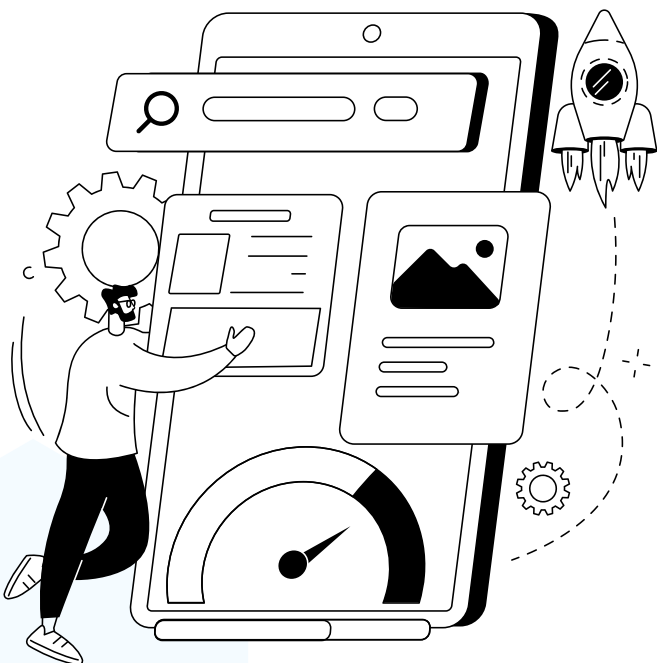
Defining C-Level:

The term C-level refers to executive level managers whose titles typically start with the word 'chief'. This group of people is also referred to as a C-Suite.

HIRING A DREAM C-SUITE

The hiring process is notoriously time-consuming. It can take weeks to narrow down a pool of skilled workers to the top picks. After that, there are many complications that can arise and slow down the proceedings. Nothing is slower, however, than having to repeat the process altogether. Therefore, it's important that hiring managers find the right fit, the first time around.

Hiring isn't an exact science though, so managers must rely on their own discretion—or outsource the process to a reputable recruitment firm. If your company chooses to do your own hiring, a good place to start this process is by making sure you know exactly what to look for in a new C-Level employee.



Top Five C-Suite Skills

Human capital—this is what hiring managers should use as their guide when searching for talent. Human capital is defined by economists as the qualities that employees possess which are useful to the company and the production process.

Here we've outlined a check-list of the top five qualities that all C-level employees should have:



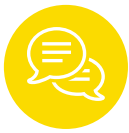
Ability to Lead

Across the board, experts agree that leadership is the #1 quality that managers should look for when hiring executives.

Keep in mind, not all leadership styles are the same. This is a good thing. The hiring manager should seek to find a diverse group of c-level employees, each with leadership styles that best fit the department they will be heading up.



C-LEVEL POSITION	DESIRED LEADERSHIP STYLE
Chief Financial Officer	Independent, hard-lined leadership style — Someone who is able to make tough choices and is comfortable delivering hard truths, even to those higher up than them.
Chief Operations Officer	Participative/Deligrative leadership style — Someone who is encouraging, approachable, and knows how to bring a team together.



Good Communicator

The second quality an executive should have is the art of communication. Executives will be leading an entire department, made up of tens or hundreds of employees, so communication is key. The flow of information will start at the top, and it should be constant and clear, meaning the person in this position must have excellent communication skills.



Ability to Recognize and Embrace Change

Otherwise known as 'change management skills' the ability to identify and seize opportunities for change is a growing demand in the start-up world. That's why companies should look for executives who have their eyes open to change and are not afraid to pivot.



Pivoting really is such a ubiquitous part of the startup business experience, it's basically a rite of passage for entrepreneurs.

The Startups Team at Startups.Com



Strategy and Expertise

While these are technically two different qualities, they're so interconnected that to have one without the other would be fruitless. Here's why:

Strategy Without Expertise

Having the ability to strategize, but not the required knowledge/expertise to run your department, is like having a shelf with nothing to put on it.



Expertise Without Strategy

Having all the knowledge and experience in the world is only useful if you also know how to think strategically and implement that expertise in a meaningful way.



Basic Technological Skills

Today, all levels of corporate employment involve the use of some technology. Therefore, hiring managers should take basic tech skills into consideration when searching for the right C-Suite team members. Aside from the CTO, who should be nothing short of an expert in the field.

DID YOU KNOW?

According to First Site Guide, 7.1% of all startups worldwide operate within the Fintech (Financial/Technology) sector. This makes the Fintech industry the most popular field for new entrepreneurs.

If your company is part of the technology sector, then you'll want to hire C-Level employees who have advanced tech skills, and who possess more than a basic understanding of the specific technology your company works with.

HIRING VS. TRAINING - WHICH TO PRIORITIZE?

There are two popular approaches for hiring at the executive level:

- Focus on hiring people with the right knowledge, attitude, and skill-set, but worry less about applicable experience. This option will likely come with a shorter hiring process, but a longer training process.
- Invest more time and money in the initial hiring process—perhaps by using a third party recruitment firm—in order to find people who require less training.

There are pros and cons to both options, but regardless of which route you chose to take with your own business, it is always worth your time to look into using recruitment firms such as IsoTalent.

Recruitment firms have access to a wider pool of applicants, their hiring practices tend to be less biased, and their recruiters are highly in-tuned with the ever-changing demands of the business world. They can make the process of hiring the right executive team much simpler, and reduce the chance of your company having to go through the hiring process more than once.



INSIGHTS

Why does hiring the right team, right away make such a difference?

Because hiring the wrong person in a leadership position can lead to less employee engagement, which affects profits. Even worse, it can lead to higher levels of turnover, which is incredibly costly to the company.

According to Gallup's State of the American Manager Report, poor management is the number one reason ex-employees give when asked why they left their job. Gallup also found that employee engagement is strongly correlated with a company's performance.

In 2019, Forbes reported on the connection between employee retention and ROI, stating that "replacing an employee can cost an organization anywhere from 30% of an entry level salary to 400% of a senior executive's salary."

The costs of finding new hires then, is far more than the cost of doing things right the first time. Whether it means providing hiring managers with the right tools, or trusting a third-party to find your dream C-Level team, investing time and money in the executive hiring process will always pay off in the long run.



LET'S GET STARTED!

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