



PHILIPPS & BYRNE

Think Piece

10 CRITICAL SKILLS FOR STARTUP LEADERS

To Build a High-Performance Company
and Scale Your Tech Organization

CONTENTS

Introduction | 3

#1 Don't be a Bottleneck | 4

#2 Get Things Done Through Others | 5

#3 Think About the Long-Term Effects of Business Decisions | 6

#4 Get your Foundations Right and Build with Scalability in Mind | 7

#5 Get and Keep the Right People | 8

#6 Build Your Organization from the Team Up | 9

#7 Be a Learning Organization | 10

#8 Build Your Product Management Early On | 11

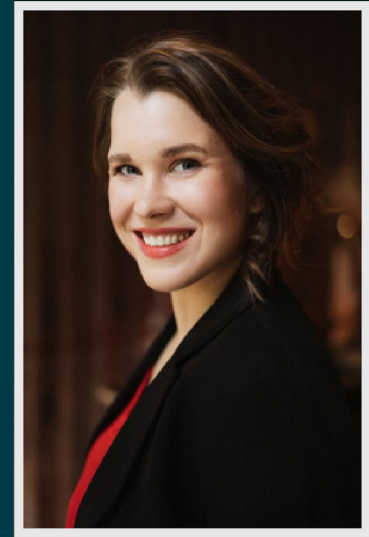
#9 Get Visibility | 11

#10 Manage a High-Performance Culture | 12

INTRODUCTION

So, you founded a company and secured an early round of funding. But how do you grow as a leader to keep up with the demands of your organization? Which areas should you invest in early on? Especially in a challenging market, it's critical to invest in your own skills to achieve the best results for your business.

I've been there. Having previously been a SaaS startup co-founder, CEO, and executive coach, I now help leaders work through these challenges. Based on the challenges I see startup leaders struggle with repeatedly, I've compiled ten essential tips for you to scale your tech organization.



ABOUT THE AUTHOR

Lena Reinhard is an engineering leadership coach and organizational consultant with previous roles as VP of Engineering with CircleCI and Travis CI and a SaaS startup co-founder & CEO. She has dedicated her career to helping organizations excel in times of significant change and challenging markets. Lena is part of the Philipps & Byrne expert community. You can find her via: lenareinhard.com

#1 DON'T BE A BOTTLENECK



When it comes to building tech organizations, the biggest challenge by far is, well... you: Transitioning from being a successful individual to building functioning systems and teams is difficult. Most tech leaders need help pinpointing what made them successful and how to implement that at scale.

You made it this far in your career because of certain traits and behaviors that you exhibited. But at some point, and typically much sooner than you'd like to think, it can't just be about you anymore. That transition from "I know how to sit down at 3 am and fix broken code" to "I have a team that can take care of it" - is a giant leap.

Very quickly, you must let go of things to function without you. That's easier said than done and can be difficult for founders, not just operationally but emotionally. It means moving away from significant direct impact, having everything running through you to giving direction and sharing clear expectations, and having people, processes, and, ultimately, a system you can trust will get you the results you want.

This means figuring out what you're good at and what you will focus on. Give away everything else. Delegate as early as possible and bring in good leaders with experience. Typically, when startups grow from 10 to 20 people, it makes sense to bring in a VP of Engineering or a Head of Engineering, or a middle management level.

#2 GET THINGS DONE THROUGH OTHERS



For startups and early-stage companies, it's essential to have the ability to simply get things done and enable others to get things done. To do so, you have to convey your vision to your new hires, as well as to partners and stakeholders. If this kind of communication and collaboration breaks down early, your company will be at tremendous risk.

Lay a strong foundation through clear values that everyone knows and understands (not just as "values on the wall"), and which are also enforced via the feedback you give and in how you operate (see also #10).

#3 THINK ABOUT THE LONG-TERM EFFECTS OF BUSINESS DECISIONS



While technical leaders understand how tech and software work, they must often be business-trained. The complexity and workload required to run a business can be (understandably) overwhelming. From implementing processes and coordinating hires to the legal side of things, it's a lot to deal with. There's often a lot of pressure to get things done quickly.

Here's a practical example: In the early days of your startup, you fill skill gaps by bringing in contractors regardless of their location. As you scale, this initially flexible setup becomes complex very quickly from a legal and scaling perspective because those contractors may be treated like employees. Now, you face a tough choice: Do you go through the complex and challenging process of setting up legal entities in all these locations?

Or do you let go of people who've been here for a long time and have valuable knowledge? Another example is hiring people from your network. The first 100 people you hire will determine the culture of your startup. You will create silos and limit innovation if these people are too similar.

These are just two examples of where making decisions that help you achieve your short-term goals can have huge ramifications as you scale.

This does not mean that every decision has to be the right one forever. However, always keep a long-term perspective in mind when you make decisions to avoid having to clean up a mess later on.

#4 GET YOUR FOUNDATIONS RIGHT AND BUILD WITH SCALABILITY IN MIND

Even if you're not planning to scale rapidly (yet), get your foundations right. In areas like employment setup or tech, it's easier to use best practices and make sustainable decisions early on, to avoid much pain when scaling. Project management tooling is a good example. You might not need it for a team of five, but at some point, you will need JIRA or a similar tool that gives you visibility in metrics, capacity, and distribution of work across different teams. Building with scalability in mind also entails areas like:

1

KEEP PROCESSES LIGHT BUT SOLID

Early-stage founders often hate the P-Word, but: Processes are ultimately a tool to solve a problem and can be helpful. Eventually, much pragmatism is needed early on: Build enough processes and structure to help you solve the scaling problem, and be clear about your goals and expectations to grant your teams autonomy within those. Avoid extremes. Both “no process” and “everything requires a process” quickly get in the way of achieving your goals.

2

CHOOSE THE SUITABLE PROGRAMMING LANGUAGES EARLY ON

When it comes to code, think about the ramifications of your choice. You will not have the time to rewrite your entire tech stack later. Don't write everything in some obscure programming language because it's the one your co-founder is passionate about - this may have to become a hobby instead of the foundation for your business. Your choices here will drastically limit your hiring pool and ability to grow.

3

DEFINE THE EXEMPLARY ARCHITECTURE FOR YOUR BUSINESS

Are you doing cloud? Are you going for self-hosted? Are you doing both? Whatever decisions you're making regarding architecture will significantly impact what your business can do later on. Especially nowadays, moving from self-hosted to the cloud is possible, but it's also a lot of effort once you reach a certain point. And so again, think about your architecture with scalability in mind.

#5 GET AND KEEP THE RIGHT PEOPLE



You want to do hiring well, which means doing it in a way where you end up with people that help you excel as an organization and will become part of great teams that hit business goals. Managing people needs dedication, which means it needs expertise – from hiring talent and retaining employees to helping them grow and driving performance.

Your ability to grow your tech organization largely depends on your ability to build great teams. Get experienced people who work together effectively, and you will already preempt many typical growth pains.

Hiring the right people only takes you so far though, it's at least as critical to help them have an impact quickly. To achieve this, hire new joiners into an existing team instead of setting up new units entirely made up of new joiners. Instead, onboard them into a current team and eventually split this team into two.

This way, new joiners learn how things are done and what is acceptable in your organization, form connections, and help you evolve your culture while they have a high impact early on.

#6 BUILD YOUR ORGANIZATION FROM THE TEAM UP

Ultimately, what you need to grow organizations successfully isn't a dozen of individually great performers but a set of high-performing teams. You need people who can excel as part of teams because the teams are the unit that will get you the results you need.

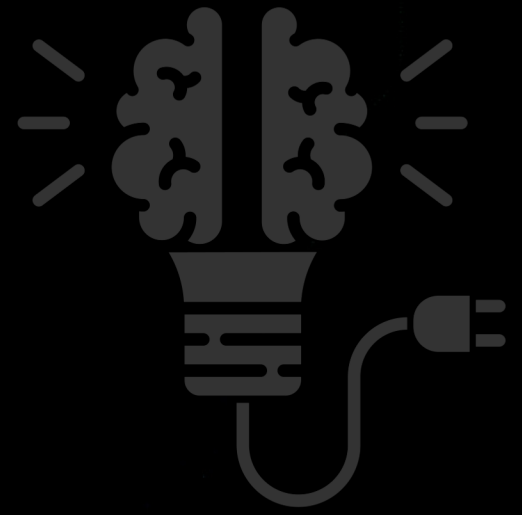
Thinking about organizations from the team perspective means defining the following:

- What does a team mean to you?
- What roles do we have in it?
- How do those people collaborate within the group?
- How do they partner with other parts of your organization? What do their interfaces look like?
- How are those teams led?

You may end up with a few different team types (e.g., product vs. platform teams) that form the foundation for your organization and the entity through which you deliver results.



#7 BE A LEARNING ORGANIZATION



You need people who can grow with you: Every time your organization grows by just one person, it still grows – which means that you and everyone around you have to uplevel their role by just a tiny bit to adapt to the new organizational size. It's hardly noticeable with just one new person, but if you've ever been through a period of hypergrowth, you know how drastically organizations can shift as they grow. This also changes things for you, from your context and operational purview, the topics you're thinking about, to the problems you need to solve. The biggest challenge is being a learning individual and learning organization in which you and everyone around you can continuously grow.

You need to lead with a learning mentality and commit to ongoing learning. Most startup challenges aren't unique: Whatever problems you encounter along the way, someone's already dealt with, so instead of scrambling to figure it all by yourself, set a mentor, join a CTO meet-up, or get a coach that supports you, especially if you're managing people for the first time. As a leader, your actions – no matter how well intended – will have ramifications for the people in your organization. The impact is probably much higher than you think and than you are used to. You don't have to do this alone - I would even say you shouldn't.

#8 BUILD YOUR PRODUCT MANAGEMENT EARLY ON

If you're building a product of any shape, the state of your product management discipline will be a huge factor in helping you succeed (or not). In my experience, (even good) product managers need around three months to onboard into a new domain.

Therefore, I would always recommend to hire product managers early on, to make sure you get as much value, leverage, and impact as possible. Product organizations always mature with the tech organization but at a ratio – for example, one product manager per engineering team. Or, if you have an engineering team of eight people, you will have one product manager. Ensure to hold a high standard to your product function and instill good practices early on.

When you are ten people, everyone knows what everyone is doing. At some point, that's not the case anymore (typically, when you exceed 20 engineers in an organization). This is when you likely ask: "We hired all these people. Now we suddenly don't get the outputs or results that we're looking for. What's happening?"

#9 GET VISIBILITY

As you grow, you need regular visibility of what your team is delivering, not just from a code perspective but also in terms of providing metrics and the less quantifiable parts like risks and team challenges.

You need a sound system that gives you visibility into how your team's time and capacities are going. It means consistently setting goals, holding people accountable, providing helpful feedback regularly, and helping people around you create the visibility that you need.

#10 MANAGE A HIGH- PERFORMANCE CULTURE

Do not delay addressing performance issues. Not upholding a high bar for performance early on will have a severe impact later on. I often see founders have one or two great engineers who have been around for a long time but aren't doing well anymore or are struggling to adapt to the growth of the company and the transition from generalist to specialist roles. I often see nothing happening in these scenarios: No feedback, no accountability, and no one saying, "Hey, you're not meeting your goals anymore. We should talk about this". Very quickly, this becomes toxic for the rest of the organization, where the behaviors one person exhibits become the norm and set the standard – a standard that's too low.

With time, these performance issues come with a considerable cost. As the company grows, you still have these few people who need to improve, and no one's talking about it. And at this point, no one knows how to talk about it because it's been happening for so long. I'm not advocating for a hire-and-fire culture but ensuring everyone on your team gets regular, structured feedback. And have an uncomfortable conversation. You may hate it, and that's okay. But you're a leader. That's your job, and you've got this!

Get your foundations right, and get yourself out of the critical path, especially in difficult times. Invest in great teams and set a high bar for performance – to achieve the results that your business needs.

About Philipps & Byrne

We are a tech advisory - but not yet another consultancy! We are an industry leader in product and technology due diligence and health checks. As true allies to founders and investors, we play a vital role in the tech industry. We are a fast-thinking and moving team who live and breathe technology and love working with startups, scale-ups, and investors to help them build the world of tomorrow. With 14B+ EUR of guided funding, 20+ years of experience in 25+ countries, and 500+ tech assessments under our belt, we help the European and Global tech ecosystem achieve the most impact possible. We stand for honest, reliable, and applicable tech advisory with zero bullshit.

Visit philipps-byrne.com

© Copyright 2023 Philipps & Byrne. All rights reserved.