

CHOOSING A CO-FOUNDER



ENET PANEL
WWW.BOSTON-ENET.ORG

TUESDAY FEB 3, 2015
WALTHAM, MA

Personal Bio



Kartik Shah

Co-Founder Skyscape and Partner Mobiuso

- **25+ years in technology and healthcare**
- **Co-Founded Skyscape in 2000. Exit in 2009**
- **Joint Mobiuso as managing partner in 2013**
- **Repurchased Skyscape assets from Merck Innovation Fund in 2013**
- **Screening Committee member Tie Angels, Boston**
- **Mentor Blueprint Health Incubator, NY**
- **Life sciences committee, Tech Sand Box, Hopkinton**
- **Angel Investor**
- **MS Computer Engineering, USC, LA**

Company Bios



SKYSCAPE

- **Mobile Healthcare company**
- **Medical Reference App for healthcare professionals**
- **1M+ user base (doctors, nurses, students)**
- **Free download in App store or www.skyscape.com**

MOBIUSO

- **Mobile Consulting company**
- **Clients span healthcare, energy, enterprise**
- **Services include strategic consulting and app/solution development**
- **Business model includes equity in lieu of \$\$ - We are on the same side**

Choosing a Co-Founder



- **Define the Roles and Responsibilities**
 - Technical v/s Operational
 - Decision Making Involvement
 - Fund Raising
- **Hunt**
 - Personal Network
 - Second Degree Connections
 - Recruiting Channels
- **Must have the Right Qualities**
 - Passion, Energy, Industry Experience, Skills
 - Skills preferably complementary
- **Friend or not?**
 - Ok, to have a friend but make sure above criteria is met
 - Become best friends afterwards through burning the midnight oil

Essential Qualities In a Co-Founder



- **Trust**
 - Do not need to look over each other's shoulder
 - Feel comfortable making independent decisions
- **Perseverance**
 - Desire to succeed, failure is not an option
 - Burn the midnight oil
- **Open Mindedness and One Mindedness**
 - Flexible (not stubborn, willing to change idea even if it his own)
 - Both sailing on same ship albeit sometimes in wrong direction
- **Skills and Resume**
 - Complementary skills preferred
 - Fundable
- **Personality Match**
 - Face of the media v/s face of the employees
 - Calmness, confrontational, sync in tough decisions

Co-Founder Team Balance



- **The right number**
 - 2 seems to be the right number – Gates and Allen, Jobs and Wozniak, Hewlett and Packard, etc
 - Solo founders take 3.6x longer to reach the scale stage compared to a founding team of two
- **Balance - one technical founder and one business founder:**
 - Raise 30% more money
 - Have 2.9x more user growth and
 - Are 19% less likely to scale prematurely than technical or business-heavy founding teams
- **Team Dynamics**
 - Understand the personal needs of each other
 - Minimize ego clashes upfront
 - Especially for teams of 3+ have a good plan for communications

Equity Split



- **Uncomfortable question – tendency to delay**
 - “This relationship can’t be one of secrecy or procrastination. The nature of an entrepreneur is to take something on--head on--and right now”
- **Logical Allocation Framework**
 - Art v/s Science
 - Factors : (i) whose original business idea was it; (ii) who is funding the business; (iii) role within the company; and (iv) salary, or deferring compensation
- **Logical Recovery Framework**
 - Governs equity recovery during departure from company
 - Depends on nature of separation – whose fault or who wants to separate
- **Most important – Dynamic Feature**
 - Allows equity to self-adjust over time
 - Allow for delayed start by a co-founder but remains through exit or vice-versa
- **Useful links for equity calculations**
 - <http://foundrs.com/>
 - <http://www.slicingpie.com/the-grunt-fund-calculator/>
 - <http://al.bsharah.com/wp-content/uploads/2014/03/Embarke-CoFounder-Equity-Split-Template1.xlsx>

Thank You



Contact Information

Kartik Shah

kartik@skyscape.com

M: 978.828.0499

T: @kshahnh (personal)

T: @skyscapeinc (company)