

Building Superior Teams:

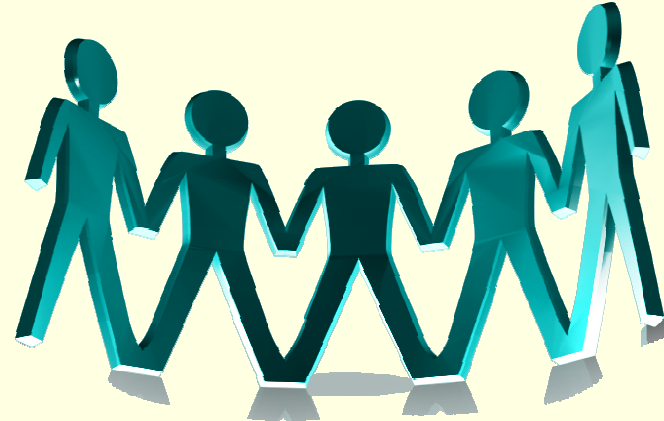
Key to Growth and Funding in your Startup Company...Lessons Learned when you build from scratch

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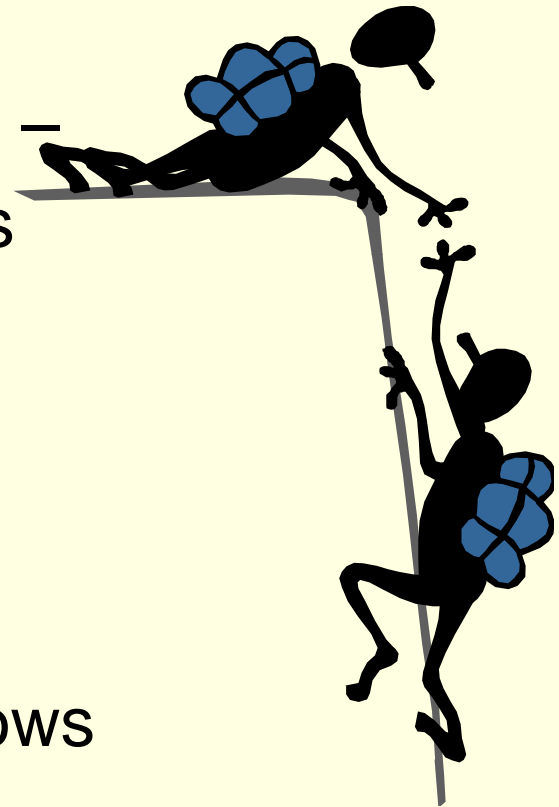
How to Find People

- Build & Work your own Network – Talk to anyone who will listen
- Ask who they know – Leverage your contacts
- The VC has his own network use it but don't rely on it ...you can freely tap many more networks



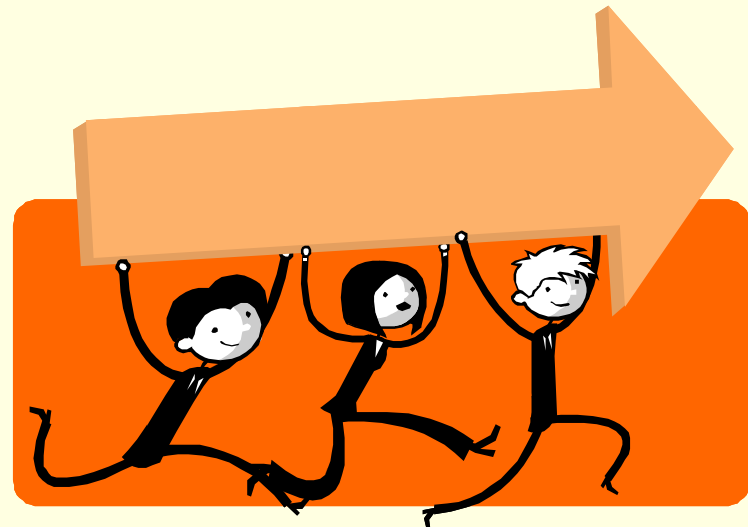
There's a Lot of Logistics to Building a Company

- Avoid learning on your own nickel – avoid expense of learning what is known elsewhere
- Bring in experience – people who already made mistakes and have learned from them
- Find best person who already knows
- what you need



Reduce Risk to Yourself and Your Investors

- Use consultants if necessary and get to know them—they may join your team in the future
- Bring in complementary experience
- Use known individuals where possible—they've worked with your or people you trust



Hire Right and Delegate

- Bring in people of top quality
- Let them do their jobs
- Try not to make yourself the hub of the wheel – Delegate, empower others
- Always keep looking for talent
Be in position to tap people
as/when needed



Know How to Change and Adapt

- Business plans evolve, products and plan rarely ends the way you start & first envision
- You want to be consistent in your goals...
But you don't want to be stubborn if something is just not working.
- If it's not working, try to fail "quickly"
- Admit mistakes, Learn from errors and move on

Try-to-Buy

- Engage with people as informal advisors
- Get people excited and involved with your company, so they want to join you.
- Keep them interested, so that in time, it's the hire who suggests joining you
- Be cognizant of pay d differential - consultant vs. full time employee



Pulling a Team Together with No Money

- Set agreed wage structure. Billing rate based on one's prior paying job.
- Stock vested based on work performed
- Using stock grants and not options
- 83(b) tax election and vesting of shares
- Conserve cash for those who need it most



Vesting Schedule to Protect Company

- Shorter vesting period early in company's life cycle because employees are not fully paid and company at greatest risk of failure
- Vesting based on milestones achieved
- Ability to get back unvested stock if people leave



Hire Early, Fire Early

- Set Milestones – Note any failures to achieve them
- Note how well the person interfaces with the group
- Collective Judgments – if several people note the failings then firing appropriate.
- Firing is hard to do, but all must pull their weight



Thank You!

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Publications. Mr. Adelson is a frequent lecturer, with numerous articles in those fields, including articles published in *Boston Business Journal*, *Darwin Magazine*, *Mass High Tech*, *Family Business* magazine, *Genetic Engineering News*, *Small Business Opportunities* magazine and *The Culpepper Letter* (serving the software industry). His work as a prominent Boston business and tax attorney has been recognized in articles in the *Boston Globe* and *Boston Herald* and in a chapter of the book, published in 2000, *The End of Shareholder Value*. A member of the Massachusetts and New York Bars, Mr. Adelson is also Vice-Chair of ENET - Boston Entrepreneurs' Network and Advisory Board member of the 128 Innovation Capital Group.

