

Making Cofounding Less Cofounding! by Mindy Garber

1. **Cofounding Advantages:**
 - a. 2 founders bring to the company different:
 - i. Skills - You each know different things
 - ii. Perspectives - Prevents you from only thinking of one way to proceed and excluding others; other founder can recommend other ways of thinking, approaching the problem, and interpretations
 - iii. Experiences - Each founder brings personal stories that relate how previous work experiences impacted their companies
 - iv. Insights - One founder may be more emotionally expressive and allow more emotions which might be helpful in some situations
 - v. Filters - Past experiences shape how we see current challenges
 - vi. Styles - You can learn from the other founder's experiences/expertise, too. (For example, your cofounder may be really good at giving presentations or feedback)
 - vii. Points of view
 - b. Founders can split up responsibilities.
 - c. If you forget something, your cofounder can catch it.
 - d. In meetings with outsiders, your cofounder catches things that were said that you didn't hear or understand.
 - e. For things you've both heard, your cofounder may have a different understanding (it helps to have 2 different ways of thinking about something); everything we hear is filtered through our own perceptions and interpretation. It's helpful to see if your understanding is the same as your cofounder's.
 - f. Allows you to have discussions to think about pressing issues together.
 - i. Use time to pull back from what's currently happening or emotions
 - ii. Check-in about what is working/not working in the company, agree on strategy, etc.
 - iii. Discuss how best to help the company move forward.
 - iv. For issues, it provides more than one idea on how to proceed.
 - g. Helps 'deflect' or 'absorb' some of the energy, anger, etc if things aren't going well in a meeting with others.
 - h. Helps out when one is having an 'off day', or very tired or not being as focused.
 - i. Can be helpful, for cultural or other reasons, if one founder is more comfortable talking to a specific person or group.
 - j. Your co-founder may be able to say the right thing at the right time that helps employees understand something
 - k. When there are two founders, it's harder for others to manipulate the group/process.
 - l. If one founder needs to be away, the other founder is there.
2. **Cofounding Challenges** - (could also become advantages if they are handled correctly, and especially if the cofounders acknowledge them when starting the company.)
 - a. Before starting the company, cofounders need to discuss their approach to cofounding.
 - b. Founders have different styles.
 - c. One founder may not respond to a situation the way the other thinks they should.

- d. Other groups/employees may not understand what the cofounder said:
 - i. Idiomatic expressions
 - ii. Culturally insensitive comments
 - e. Having 2 founders may change the dynamic of the company. Some people may feel that one founder favors particular people/employees while the other founder favors other people/employees.
 - f. Possibility of cofounders turning into good cop/bad cop.
 - g. Different ideas on how to proceed and for how long to allow something to continue.
 - h. Different levels of "pushiness" - when to push negotiations a bit more and when to accept an offer.
 - i. Each founder has to give up some control.
 - j. One cofounder may not allow enough 'space' for the other to be a partner or to feel that they are equal.
- 3. What can make cofounding more certain?**
- a. Fewer unexpected actions on the part of the other founders
 - b. Shared interests
 - c. Belief in the value of the corporate venture
 - d. Ability to have productive discussions between founders when there is no agreement
 - e. Ability to present a common front to the outsiders when not always agreeing on everything
 - f. Agreeing that part of the job is to model collaboration to employees and outsiders
- 4. Best practices**
- a. Document everything
 - i. All processes
 - ii. All decisions
 - (1) Later you can go back and see why you made these decisions
 - (2) You can discuss what is different now from then
 - iii. Glossary of terms
 - (1) Add
 - (a) Industry standard terms along with how you define them (i.e. words like AI could cover a lot of different areas) and terms may be used differently by your company than may be generically understood by outsiders
 - (b) New terms
 - (c) Your own company-specific lingo and acronyms
 - (2) Will help
 - (a) Onboard new people
 - (b) Discussions with customers (glossary can be added to proposals)
 - (c) Discussions with venture capitalists to ensure the same understanding of terms
 - iv. You can record conversations and feed them along with your documents into AI to help on-board future employees

- b. Have a first meeting of cofounders - (This is like a prenup, you're in love and everything is great. Then a few months down the line, things change. What will happen one year from now?) You can send this list of questions to each founder beforehand and then go over the answers as a team. Having discussed these questions at the very beginning will help when issues arise further down the line. For each co-founder ask:
 - i. Background - what is your background?
 - ii. Interests
 - (1) Why are you doing this?
 - (2) What do you hope to get out of it?
 - (3) What are you giving up to do this venture? (shows other/possibly conflicting interests)
 - (4) What is your acceptable loss? (money, reputation, time, etc)
 - (5) Do your close relationships have thoughts about this venture? (significant other, family, friends - may affect your decisions in the future)
 - (6) What is your time commitment for now and later?
 - (a) If things aren't working as expected - When/how will you decide this isn't working and leave the venture?
 - (b) If things are going well - When/how will you decide to quit current job/responsibilities (if any)?
 - iii. Company Evaluations
 - (1) What does success look like?
 - (2) How will you evaluate it?
 - (3) What are your thoughts on how long you want this to last?
 - (4) What would an acceptable ending look like?
 - iv. Co-founders
 - (1) How did you choose each other as partners?
 - (2) Roles - who will do what at the start?
 - v. Honest evaluation
 - (1) What skills do we each bring?
 - (2) What are our personalities?
 - (3) What skill might we need that neither of us currently has?
 - (4) How will we get other needed skills?
- c. Have a second meeting of cofounders to discuss a team agreement/company framework. How will the team work together?
 - i. Culture - These are typically unwritten rules but if you don't specify them, your first employees will set them
 - (1) What is the common purpose and goals of the team and company?
 - (2) What are our ethics/values?
 - (3) What are expected Individual behaviors from individual team members?
 - (4) How will we work together?
 - ii. Operations
 - (1) Roles on the team
 - (a) Who is responsible for what?

- (b) Who has financial responsibilities and how/when will information be shared?
- (c) How will credit and visibility be shared? (for example, will one person be the front person, will one person be behind-the-scenes?)
- (2) Accountability
 - (a) To whom?
 - (b) How will we manage/document it?
- (3) Decisions
 - (a) How will the team make decisions?
 - (b) Dispute resolution - How will the team resolve disagreements?
- (4) Team interactions
 - (a) What communication methods will we use?
 - (b) How and how often will meetings be scheduled? (is being late ok?)
 - (c) How will we share data/information and collaborate? (Team permissions vs team forgiveness)
- (5) When the team grows
 - (a) How will people be added
 - (i) If a skill is needed only temporarily or periodically?
 - (ii) If another person permanently joins the team?
 - (iii) When finances reach a certain threshold?
 - (b) How will new employees be onboarded?
- d. Set up a periodic cofounder review meeting. You can send the questions in advance and discuss the results in a meeting.
 - i. Specify every ___ months, as things change rapidly
 - ii. Start a gratitude statement, "I'm happy to be working with you..."
 - iii. Check in with each cofounder
 - (1) How are you doing?
 - (2) How are we doing?
 - iv. Workload
 - (1) What is the amount of work?
 - (2) Who's doing what?
 - (3) What are the deadlines?
 - (4) Does work need to be redistributed?
 - v. Discuss where you are as founders, not the specific business issues
 - vi. Discuss processes
 - (1) Are we having enough business check-ins (periodic meetings)?
 - (2) Does everyone feel that they know what they need to know about what's going on in the company?
 - (3) Do we need new processes?
 - (4) What would help us work better together?
 - vii. Are there other things we should be thinking about as a team?