



# The founder's guide to **SMART HIRING**

---

Top mistakes founders make and how to avoid them



[www.plentysearch.com](http://www.plentysearch.com)  
[hello@plentysearch.com](mailto:hello@plentysearch.com)  
429 Lenox Ave | Miami Beach, FL 33139 | United States

<b>INTRODUCTION</b>	<b>3</b>
<b>PRIORITIZING SPEED OVER QUALITY</b>	<b>4</b>
<b>FAILING TO PLAN FOR FUTURE NEEDS</b>	<b>6</b>
<b>INFLEXIBLE JOB REQUIREMENTS</b>	<b>8</b>
<b>NEGLECTING TALENT DEVELOPMENT</b>	<b>9</b>
<b>IMPLICIT BIAS AND DIVERSITY</b>	<b>11</b>
<b>CONCLUSION</b>	<b>13</b>

## INTRODUCTION

In the fast-paced and evolving world of startups, attracting and retaining talent isn't just advantageous — it's critical for success. But with limited resources, relentless competition, and high stakes, it's hard to assemble teams capable of transforming vision into reality. To compound this challenge, hiring is often uncharted territory for founders and it's littered with potential missteps.


The significance of the right team cannot be overstated. For startups, each new hire can significantly impact a company's culture, efficiency, trajectory, and likelihood of success. A misaligned hire can derail progress, while the right team member can catalyze growth and innovation. Hopefully, this helps you avoid common mistakes and improve the outcome of your startup.

At Plenty, we aim to highlight pivotal moments by offering a comprehensive guide for founders of rapidly growing startups.

As a leading executive search firm specializing in fast-growth, venture-backed startups, Plenty is uniquely positioned to guide founders through the intricate landscape of critical hiring needs. Drawing from our extensive industry experience from our time at companies like Google, Airbnb, and LinkedIn, we have a profound understanding of startups. Our clients have collectively secured billions in funding from top-tier VCs like Y Combinator, a16z, Sequoia Capital, and General Catalyst. Our commitment to delivering diverse, high-quality talent with unparalleled speed positions us as the go-to partner for founders striving to build exceptional teams that drive innovation and propel their startups to unprecedented success.

**Combined, our portfolio  
of customers have raised  
\$4.96B from top VCs.**

 SoftBank

 Y Combinator

andreessen  
horowitz

GENERAL  CATALYST

# 1

## PRIORITIZING SPEED OVER QUALITY

As founders, we ought to move fast, but hiring is one area where it's okay to use patience. Over half of businesses (61%) admit to settling for candidates who did not sufficiently match the job, while 56% rushed the hiring process. Unfortunately, the cost of an executive mis-hire can range from 0.5 to 3x the employee's annual salary, which can be very expensive for early-stage startups, not to mention the impact on culture, morale, and product cycles. To mitigate these risks, it's crucial to ensure:



### The scope of the role is clearly defined:

A well-defined role not only includes day-to-day tasks but also how the position contributes to the long-term goals of the business. It defines the skills and experiences that are required upfront vs. those that can be developed over time. Clear role definition also helps attract candidates who are aligned with the vision and growth of your startup.



### Internal alignment and interview criteria:

Defining a new role at a rapidly growing company can be hard, and key stakeholders may have varying points of view. Ensure everyone involved in the hiring process is aligned on the requirements and that each interviewer has a particular area of focus. This means the candidate is thoroughly vetted through a series of deep-dive discussions (vs. several high-level conversations). If the internal stakeholders are misaligned on the requirements for the role or assessment criteria, it becomes very challenging for any candidate to navigate the process, increasing the odds of a mis-hire.



### Interview processes are established:

This includes developing a consistent interview flow that all candidates follow. It may be tempting to skip steps or jump interviewers based on calendar availability, but following a uniform process ensures that each candidate is vetted appropriately.

It's also important to incorporate various assessment methods, like practical tasks or group interviews, to gauge the candidate's fit. When executed correctly, these steps help land the right hire, unlock growth, and ensure the scalability of your startup.



Advice from [Andy Seidl](#), former startup Founder, LinkedIn exec, and current Partner at Plenty Search.



Things move fast in startups and speed is critical but, the stakes are high in executive hiring. The right (or wrong) person can drastically change the trajectory of your business. Setting up and executing a diligent process is worth the time. It improves your ability to assess candidate quality and, when done correctly, will help your business accelerate. Roles are filled 2x faster when the target is defined and the internal team is aligned. Candidates also appreciate and respect a well-thought-out process which can help when it comes time to close that perfect fit.



## 2

## FAILING TO PLAN FOR FUTURE NEEDS

### The trap of short-term thinking

As a founder, it's easy to fall into 'fire fighting' mode and reactive decision-making, especially around talent acquisition and management. It's understandable; founders are often focused on other, mission-critical areas of the business, but this approach can lead to a cycle of immediate problem-solving without seeing the future implications. For example, filling current vacancies to meet demands, while overlooking the importance of 'future-proofing' the organization's talent. Over time, this can limit your startup's ability to scale effectively and respond to market changes, ultimately affecting growth potential.

### Adopting stance towards talent management

Adopting a long-term and proactive stance towards talent management should not be overlooked. A common gap for early-stage startups is failing to invest in their current employees. This includes identifying individuals with potential and providing employees with the resources to develop the experience needed for the future success of your organization. By not actively preparing for upcoming needs, startups risk facing a talent gap when they need to pivot or expand, which can slow down progress and diminish their competitive edge.

### THE RIGHT APPROACH



Cultivating a forward-thinking culture that values long-term talent development is key to ensuring a startup's agility, resilience, and sustained success in a rapidly evolving business landscape.

## Top mistakes founders make and how to avoid them

---



Research from McKinsey supports this perspective, showing that companies with robust talent management strategies are 2x as likely to outperform their peers financially. This showcases the importance of transitioning from a reactive, short-term focus to a more strategic, long-term approach to talent.



Advice from Tak Nguyen, Managing Partner, Investor and former leader at Airbnb and Google.



Nine out of ten CPOs tell me, 'This company is great, but I wish they had brought me in a year ago.' It takes significantly more resources to fix People practices—from thoughtful compensation design to ingraining performance management into your culture—than to build it right from the beginning. The startups that win the war for talent are the ones that know how to plan and build People infrastructure with this in mind.



### 3

## INFLEXIBLE JOB REQUIREMENTS

Despite the increasing importance of soft skills in the workplace, many founders prioritize technical qualifications over interpersonal abilities when hiring. Additionally, the World Economic Forum predicts that critical thinking, creativity, and emotional intelligence will be top skills demanded by employers by 2025, as AI and automation take over routine tasks. However, traditional hiring practices often emphasize hard skills, like technical proficiency and academic credentials, while overlooking soft skills like communication, collaboration, and adaptability. This narrow focus can result in hiring candidates who excel on paper but struggle to thrive in dynamic startup environments.

**9 out of 10 GLOBAL EXECUTIVES** (Source: LinkedIn)  
agree that soft skills are more important than ever

Additionally, investing in employee development programs can help nurture and enhance soft skills among existing team members, fostering a culture of continuous learning and growth. By incorporating soft skills assessments into the hiring process and placing greater emphasis on cultural fit and team dynamics, founders can build diverse and inclusive teams that drive innovation and long-term success.



Advice from [Rockman Ha](#), former Director of Talent at Gilt, MongoDB, and current VP of Talent Acquisition at Patreon.



Early-stage companies often prioritize finding the 'scale-ready' candidate. But you often need someone who can effectively solve today's biggest challenges and adapt to future needs. Focus on intrinsic motivation and finding someone who aligns with your company's values and shares the founder's vision. This can be as important as hard skills and can show up in all sorts of unique candidate backgrounds.





# 4

## NEGLECTING TALENT DEVELOPMENT

Internal talent often goes unrecognized by founders of rapidly growing startups, despite its potential to significantly enhance organizational growth and effectiveness. The consequences of neglecting internal talent are twofold.

1) The cost of employee turnover can be quite substantial. According to estimates from SHRM, replacing an employee can cost up to 200% of their annual salary, factoring in recruitment, onboarding, and training expenses.

2) Overlooking internal talent can impede internal knowledge transfer and learning. Companies should prioritize internal talent before looking externally. Promoting or up-leveling internal talent reduces turnover, helps retain tribal knowledge, and can improve company culture.

When internal talent is underutilized and under-invested, it sends a clear message that opportunities for progression are limited, prompting talented individuals to seek advancement elsewhere.



**“REPLACING AN EMPLOYEE CAN COST UP TO 200% THEIR ANNUAL SALARY”**

(Source: SHRM)

## Top mistakes founders make and how to avoid them

---

To minimize this risk, founders should try to develop internal employees. For example, if you need a VP of Engineering, and have a director with potential, consider matching them with an internal or external mentor. If going external, find someone you respect. If going internally, find another high-performing executive who can coach on soft skills like leading large teams or influencing at the exec level. This is more cost-effective and cultivates a culture of loyalty, commitment, and continuous improvement.



Advice from [Rachel Kleban](#), VP of People at OpenPhone and former executive Airbnb and VSCO.



When we set out to open a new opportunity or seek out new talent for our organizations, we are diligent about scoping and defining the role—clearly identifying the skills, behaviors, and qualities needed for success. Internally, however, this work is so often neglected. Employees aren't clear on what they need to do to grow and develop and are not equipped to meet the growing demands of the business. Spend time getting clear about what you expect of employees today and what they would need to do to grow into increased or new responsibilities. This might look like something more formal, like implementing a leveling framework with clear competency progression, or it might mean ensuring that managers are having regular conversations about what is expected and what a broader, more impactful role might look like in the future. Not only will this create opportunities for cultivating internal talent for critical business needs, but it will offer the clarity every employee craves regarding how they are doing and how they can grow.



# 5

## IMPLICIT BIAS AND DIVERSITY

Unconscious biases can influence hiring decisions, leading to unintended discrimination, exclusionary practices, and mis-hires. An unfortunate but true example of this stems from Harvard Business Review. Their research has shown that candidates with "white-sounding" names are 50% more likely to receive callbacks for interviews than those with "black-sounding" names.

To mitigate bias, founders should implement structured hiring processes that minimize subjective judgments and promote fairness and inclusivity. This may include anonymizing resumes, establishing diverse interview panels, and providing diversity and inclusion training for hiring managers and team members.

Highlighting the financial benefits, research by [McKinsey & Company](#) suggests that diverse teams are more likely to outperform their peers financially, emphasizing the business case for inclusive hiring practices.

Moreover, prioritizing diversity, equity, and inclusion (DEI) enriches the experience within your team and enhances your attractiveness as an employer in a highly competitive talent market. According to the [CNBC/SurveyMonkey Workforce Happiness Index](#), a significant majority of respondents (78%) emphasize the importance of being part of a company that prioritizes diversity and inclusion, with over half (50%) rating it as "very important."



**78% of candidates emphasize the importance of being part of a company that prioritizes diversity and inclusion.**

These compelling statistics underscore the critical importance of diversity, equity, and inclusion (DEI) policies, particularly within corporate leadership and boardrooms, where decisions shaping the entire organization are made. This evidence strongly supports the hypothesis that the benefits of diversity extend across hierarchical levels within a company, emphasizing the urgent need for robust DEI initiatives across all aspects of organizational structure and governance.



Advice from [Caralyn Cooley](#), former Amazon and Jet.com executive and current EVP, Chief People Officer at Bowery Farming.



An important first step towards minimizing the impact of implicit bias is to better understand your own unconscious biases. I recommend starting by privately taking an implicit bias quiz -- it's a quick and easy way to identify where you may have a blind spot.

For a lot of people, admitting that you even have biases is not easy. The first time I took an implicit bias quiz, I decided to take the gender quiz because as a woman, I thought I would start with an “easy” one and get a win. You can imagine my surprise when I learned I actually have an unconscious bias against women. Our biases don't always make sense on the surface and we oftentimes don't know why we have them, but having biases is totally normal.

Once you understand more about your blind spots, there are so many simple and effective things you can do to minimize their impact in your hiring process. For example, eliminating small talk at the beginning of interviews, using the same interview questions for every candidate, and incorporating a work sample exercise into the process are easy adjustments that can drive bias out of your hiring process



## CONCLUSION

Building a startup is hard, but it can get easier (and a lot more fun) when you have the right team surrounding you.

The next time you're thinking about an open role, take a step back. Unpack the position and consider what it'll take to make this role successful for the next 24-36 months. Then think about the skills needed to attain that success and what the ideal candidate looks like.

Once there's clarity, ensure the key stakeholders are aligned and that everyone is thinking about the role in the same way. You may even consider how training and development can play an impact.

That little bit of extra clarity and alignment upfront will pay huge dividends in finding the right candidate, accelerating the time to hire, and improving your chances of longterm success with the individual you decide to bring on.



[www.plentysearch.com](http://www.plentysearch.com)  
[hello@plentysearch.com](mailto:hello@plentysearch.com)  
429 Lenox Ave | Miami Beach, FL 33139 | United States