

# Venture Team Design Workbook

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## Role of the Board of Directors

In case of organizing a corporation, it is legally required to have a Board of Directors. Their major task is to oversee the operations of the firm and protect the interests of the shareholders.

The Board of Directors is made up of inside and outside directors. Inside directors are those who are part of the company's management by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders appointing the officers and declaring dividends.

## Importance of the Job as a part of the new venture team

The BOB is an important part of a new venture team; whereby providing guidance and legitimacy to customers, investors and competitors are the two primary ideal roles in which the non-employee members BOB of a start-up's new venture team help the firm.

Choosing skilled BOB members, who have a useful experience and who are willing to give advice is extremely important. As a result of the managers relying on the board members for counsel and advice, outside directors is vital.

## Attributes of Effective Board of Directors

- Strong communication with the CEO
- Diverse
- Decisiveness
- Ability and willingness to support and advise the firm's directors
- Strong ethics
- A board is not a collection of individuals and talents but a team.

## Benefits of a New Venture Team



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## The Founder or Founders

### Founder or Founders

The characteristics of the founder or founders of a firm and their early decisions have a significant impact on the manner in which the new venture team takes shape.

### Size of the Founding Team

Studies have shown that 50% to 70% of all new ventures are started by more than one individual. It is believed that new ventures that are started by a team rather than a single individual have an advantage.

## New Venture Team

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A group of leaders who employ an action plan that is consistent with the firm's long-term strategy. They are responsible for setting the firm's vision and strategy, and for ensuring that the firm's resources are used effectively to achieve its goals. They are also responsible for monitoring the firm's performance and making adjustments as needed.

## Social Media for recruiting employees

An increasingly important approach for recruiting employees is via social media sites such as LinkedIn, Twitter and Facebook. The founder of a small firm can broadcast to his contacts either on LinkedIn or Facebook that he is interested in hiring qualified employees without paying for a job posting. Moreover, Twitter accounts could be used for this purpose.

Firms usually worry about hiring the wrong person for a key role. Every employee must have a valuable contribution especially in new firms. It is extremely critical to choose the right person who can fit the founders of the firm expectations.

## Rounding out the Team - The role of professional advisers

Board of Advisors

Leaders and Investors

Other Professionals



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## Board of Advisers

The enterprise may be seeking assistance with anything from marketing to managing human resources to influencing the direction of regulators. Thinking carefully about an advisory board's purpose will ensure that it will be structured to maximize its contribution to an organization's success.

Advisory boards provide safe harbors for executives who may be able to test-drive options before they are forced to be more definitive and assertive before a board of directors, which assesses the CEO and establishes his or her compensation. A CEO may feel more comfortable expressing partially defined or tentative views before a group whose sole purpose is to provide advice.

## Other Professionals

At times, other professionals assume important roles in a new venture's success. Attorneys, accountants, and business consultants are often good sources of counsel and advice.

a. A consultant is an individual who gives professional or expert advice. New ventures vary in how much they rely on business consultants for direction.

b. Consultants fall into two categories: paid consultants and consultants who are made available for free or at a reduced rate through a nonprofit or government agency.

## Factors that Contribute to a Founder or Founders Success

### Firm Started by a Team

Start-ups started by a team can provide greater resources, a broader diversity of viewpoints, and a broader array of other positive attributes than ventures started by individuals.

### Higher Education

Entrepreneurial skills are enhanced through higher education.

### Prior Entrepreneurial Experience

Founders familiar with the entrepreneurial process are more likely to avoid costly mistakes than founders without similar experience.

### Relevant Industry Experience

Founders with relevant industry experience are more likely to have better established professional networks. More applicable marketing and management skills.

## Lenders and Investors

• Lenders and investors have a vested interest in the companies they finance, often causing them to become very involved in helping the firms they fund.

• As with the other non-employee members of a firm's new venture team, lenders and investors help new firms by providing guidance and lending legitimacy, and assume the natural role of providing financial oversight.

• In some instances, lenders and investors also work hard to help new firms fill out their management teams.

# Venture Team Design

## Workbook

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### Roles of the Board of Directors

In cases of organizing a corporation, it is legally required to have a board of directors, whereby their major task is to oversee the operations of the firm and protect the shareholders' interests and assets.

The board of directors is usually made up of inside and outside directors. One of the responsibilities is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders, appointing the officers and declaring dividends.

### Elements of a New Venture Team



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### The Founder or Founders

#### Founder or Founders

The characteristics of the founder or founders of a firm or business have a significant impact on the manner in which the venture team takes shape.

#### Size of the Founding Team

Studies have shown that 50% to 70% of all new ventures are more than one individual. It is believed that new ventures that are started by a team of single individuals have an advantage.

### New Venture Team

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In the days of startups, the employees all obtain their work in the venture team or also to fully functioning firm.

Usually, the team develops together at all times. Instead, it is hard to for you then can afford to be without yourself.

The team also makes their own employees. Many firms have made it a custom to have a board of directors or professionals on whom they rely for direction and advice.

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An increasingly important approach for recruiting employees is via social media sites such as LinkedIn, Twitter and Facebook. The founder of a small firm can broadcast to his contacts either on LinkedIn or Facebook that he is interested in hiring qualified employees, without paying for a job posting. Moreover, Twitter accounts could be used for this purpose.

Firms usually worry about hiring the wrong person for a key role. Every employee are must have a valuable contribution especially in new firms, it is extremely critical to choose the right person who can fit the founders of the firm expectations.

### Recruiting and Selecting Key Employees

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- Startups vary in terms of how quickly they need to add personnel.
- In some instances, the founders will work alone for a period of time. In other instances, employees are hired immediately.
- A skills profile is a chart that depicts the most important skills that are needed and where skills gaps exist in a new firm.

### Importance of the BoB as a part of the new venture team

The BoB is an important part of a new venture team; whereby providing guidance and legitimacy to customers, investors and competitors) are the two primary useful roles in which the non-employee members (BoB) of a start-up's new venture team help the firm.

Choosing skilled BoB members, who have a useful experience and who are willing to give advice is extremely important. As a result of the managers relying on the board members for counsel and advice, outside directors is vital.

### Attributes of Effective Board of Directors

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- Talented
- Decisiveness
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### Rounding out the Team - The role of professional advisers

- Board of Advisors
- Leaders and Investors
- Other Professionals

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### Other Professionals

At times, other professionals assume important roles in a new venture's success.

### Factors that Founder or Founders

**Firm Started by a Team**  
Start-ups started by a team can provide multiple viewpoints, and a broader array of other positive attributes.

**Higher Education**  
Entrepreneurial Skills are enhanced.

**Prior Entrepreneurial Experience**  
Founders familiar with the entrepreneurial process avoid costly mistakes than founders without experience.

**Relevant Industry Experience**  
Founders with relevant industry experience have better established professional networks and more applicable marketing and management experience.

### Lenders

• Lenders and investors have a significant impact on the success of a new venture. They provide the finance, often causing them to be successful. As with the other groups, they fund.

# New Venture Team

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Is the group of founders, key employees, and advisers that manage a new venture from an idea to a fully functioning firm.

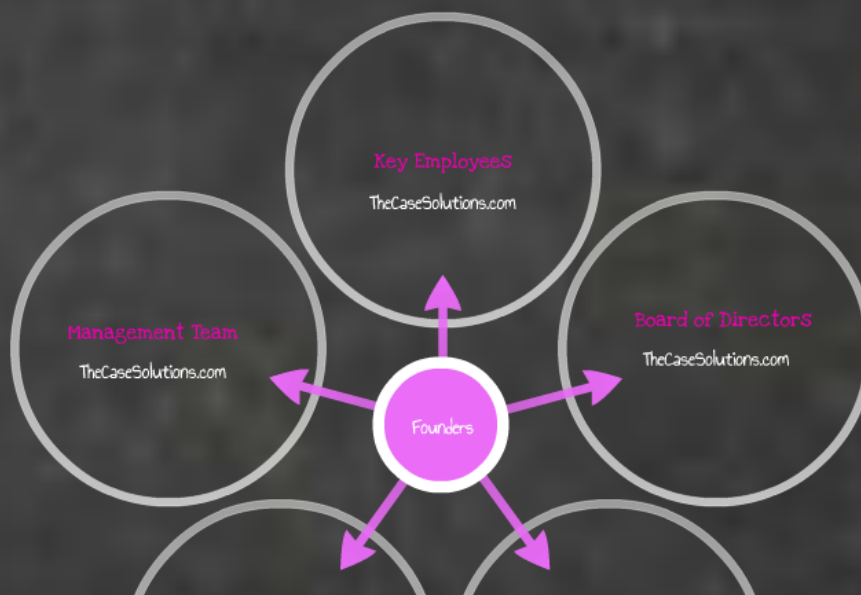
Usually, the team doesn't come together all at once. Instead, it

# Liabilities of Newness

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# Elements of a New Venture Team



Management Team

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Key Employees

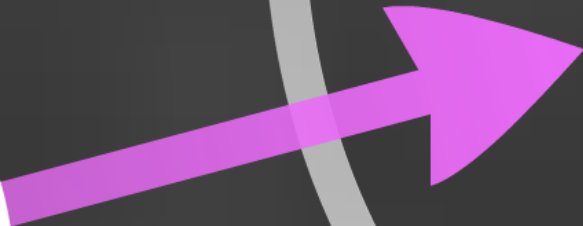
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Board of Directors

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Other Professionals

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