

Looking to join a start-up? Here are 7 things you need to keep in mind

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With small businesses contributing to close to half of all private sector employment today, it's highly likely that a startup may eventually be a part of your interview process. Yes, working for a startup can be an exciting and inspiring experience. However, before you join a startup, here are a few things which you must keep in mind:

1. USP/Value Proposition

You should look at the products or service offerings of the firm and its unique service proposition and the kind of value that the company can add to its customers. Also, whether the offering can solve any of the burning issue/ current challenges in the market. The offering must bring innovation and provide superior benefits technologically, value for money and prove reliability for their target customers.

2. Promoter credentials, Track record, and Management Team

The track record and credentials of the promoter and management team should be carefully evaluated. This is one of the key parameters to take a decision whether it is worthwhile joining the firm. Understanding the fund raising strategies and the background of the investors is very important, otherwise this may have an impact on the scalability of the offering in the long run. When the investors are global, they would certainly bring a variety of experience and expertise to the startup.

3. Addressable market for the product or service, Potential to grow

“The market size” or “the potential for the offering” plays a major role for the start-up. Scalability of the product or service is critical to take a decision whether the firm can sustain the short term and long term headwinds in the industry or market. One need to evaluate whether the offering is a copycat or new innovation which is first of its kind in the market, as it means a lot if the organization is a leader or follower in the industry. To understand, if the offering has high entry barriers and intensive investments, because the survival of the firm can be very high comparing to a low entry barrier business.

4. Passion

Your passion towards the products or the services offering of the company. Passion has always been a key factor to succeed in anything that we do, in that way the individual should have a clear understanding and interest in the products or services offering of the firm.

5. Societal impact; Macro, Micro Economic environment

As we see today, the offerings which have high societal impact will last long with the customers. The firm would get a major boost from the policy makers and the governments where the offering has a high impact on the society

6. Work Culture, Ethos and Values of promoter team

Work culture, ethos & values, the way it deals with the stake holders of the organization matters a lot when it comes to a promoter driven company. It is important to understand and gauge the clear intentions of the promoters whether they are here to stay long term or to create value and sell the firm on reaching certain mass. This can be drawn from the teams and people closely work with the promoter team and infer some of the data points from the discussions. Empowerment, freedom to take decisions and allowing employees to take risks are a good sign of promoter’s intentions of building a highly capable team and an organization.

One need to look at the start-up as a platform that provides an opportunity to create wealth, long-term equity and profit sharing or not just as another employment. The individual needs to think thoroughly whether it’s really worth jumping into a startup which has a toll on work life balance and financial stress. As the millennials have the tendency to look for an accelerated growth, startup companies can pave a way for a fast track career growth.

7. Financial risk

On the risk side, as there is always an uncertainty of the market growth. One should, therefore, prepare oneself to face certain financial risks when joining a start-up.

(By Venkat Rao V, Managing Partner, Executive Access, an executive search firm)