What recruiters won't tell you about hiring for startups!

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Founder's thoughts.

The talent crunch on the job market is brutal. 54% of companies worldwide report a shortage in skills and that it's becoming increasingly difficult to attract and retain talent.

Now, when we look at the startup environment, this becomes even more apparent. Statistics show that 90% of startups failed in 2020. The numbers usually mark a 20% failure rate within the first year, 34% fail within their first two years, and only 25% make it to the 15-year mark. This can be summarised as 1 out of 10 startups survives in the long run.

Those are pretty bad numbers, right? Now, if you're a startup founder, you've either experienced or done your research on the most common challenges and events that lead to shutting down a startup. I'm not going to explain all the reasons since you most likely know them already. Instead, I want to bring to your attention talent attraction and talent retention, as these two activities are the backbone of companies. If done incorrectly, they tend to be linked to failing businesses.

I'm not basing this only on my assumptions and experience, but on research conducted by Dansk Erhverv. They conducted a survey with Danish entrepreneurs, and they found out that 39% of them see talent recruitment as one of the most significant barriers to successful growth. As a founder specialized in recruitment, I find it difficult myself, despite being trained to do it. I've done my fair share of hiring processes on behalf of other companies as an external partner. Whenever I'm hiring for my startup and manage to find great people who wish to join, I get the feeling: "Fuck, I'm lucky that these people want to join!"
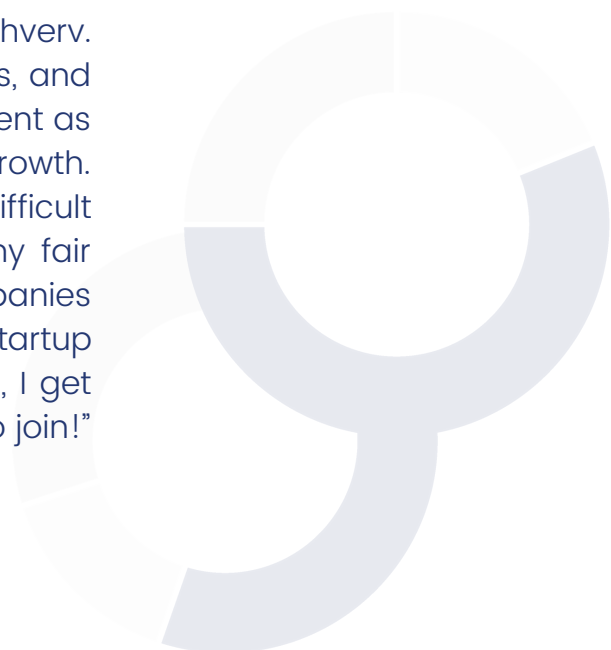
I want to share my thoughts and learnings with you based on my failures and achievements. You can use them as guiding points in your hiring processes, but remember that they should always be adjusted to your ideal candidate profile. I'll get back to that later! For now, I just hope that you'll find this guide useful, and you're always welcome to reach out to me with any questions. Let's get started!

What kind of company do you want to have?

Building a brand from the ground up is no easy task. In the startup environment creating effective employer branding is crucial to attracting new talents. The more complex and competitive the industry you operate in is, the more critical it is for you to stand out for your potential new hires. It's even more difficult having to compete against other startups and corporations that have a lot more benefits to offer.

If we look beyond the vital hard skills and performance metrics, what startups genuinely benefit from are employees who want to spend their time in your company. If you're an early-stage startup, likely, you can't offer more than a corporate or a scaleup does. In that sense, people coming in are more likely to buy into your vision and the learning curve, believing that they can be part of something that has the potential to be significant.

Make sure that the employees you've had, whether they were full-time, part-time, students, or unpaid volunteers, had a positive experience with you. When you're in the phase of getting from 5 to 50 staff members, it's your brand as a founder that's going to be the strongest component. Even if they decide to part their ways with you for whatever reason, they can become valuable references and advocates of your employer brand.

"For me, it's also important to keep that pool as big as possible because even after the contract is signed there is still a high possibility of another job coming in left or right and choosing them over."

Jakob Hanssen

Set yourself up for success.

The most common mistake we see in many companies is that they don't clearly define who they need. Everyone is looking for unicorns, and everyone believes that they are somewhere, but the sad reality is that unicorns don't exist. With that in mind, when you'll start working on your ideal candidate profile (ICP), be very critical about the type of skills you need. Your whole recruitment process is based on this fundamental understanding of your ideal candidate. Any data you put in the ICP will influence your job description, screening process, interviews, and eventually, who you will hire. Let's dive into setting up your ICP.

Create your ICP.

To describe it better, if your startup has a marketing department, you likely heard the term buyer persona. The purpose of this is to define your ideal customer to whom you want to tailor your whole marketing strategy. This means selecting relevant platforms and tailoring content to their liking.

Similarly, you should identify your ideal candidate to perfectly fit the role. Keep in mind that the ICP is the groundwork for your hiring process. It's not your job description. We will cover the job description in the next chapter.

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To give you some more specific examples, we will provide you with advice for creating an ICP for a sales rep position, but you can adjust the framework towards whichever role you wish to fill.

First of all, if you already have someone in your company who is taking care of sales-related work, interview this person to have a clear understanding of what it means to be successful as a sales rep in your company. If you're hiring sales reps for the first time, you will have to ask yourself a few questions.

"Who is it that I actually need? What are the five skills I can't live without? What are the skills that would be great to have, but I can live without? What does it take, from my perspective, to be a successful sales rep in my company?"

When you're hiring a sales rep, considering the stage of your startup, you need to take it from a bird's eye point of view. To be more precise, you need to set your budget, define key hard requirements, and non-negotiable soft skills.

Now, you're the one who knows what is the allocated budget for your hiring process and how much you're able to pay in salaries. Naturally, the less you can offer, the more precise you need to be with what you need. Let's start with key hard requirements.

You can checkout our article with more details about ICP.

"Have you been missing out on quality sales reps?"

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Key hard requirements.

Your first step should be to decide if you need to hire someone local who needs to work from your office. If possible, you should consider whether the sales rep can work entirely remotely, and in that case, you'll be looking at an international audience as well. In the next step comes the language requirement. Does your ideal candidate need to have a certain level of your market's language, or is fluent in English good enough? If your budget is tight, be critical about the language level your ideal candidate should have. For instance, you might prefer a candidate who speaks fluently Danish and English, but more often, in that case, you'll need to set up a higher budget.

The following requirement you need to consider is past job experience, and again, depending on your budget, you need to be critical of what matters to you. Does your candidate need to have five or more years of industry experience? Is that crucial to be successful in your company? Does your candidate need to have experience selling products or services to similar target markets as those of your business?
Another aspect that you can consider is the candidate's previous company type, whether you'd prefer someone with corporate experience, startup, scaleup, within B2C or B2B, etc.

After considering the work experience, decide what kind of educational background your ideal candidate should have. There is no doubt that sales reps can be high performers even without a university degree. On the other hand, finishing a specific education with a bachelor's or master's degree can be translated into a curious and coachable personality. More on these two traits later on.

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Afterwards, define what kind of technical skills your ideal candidate should have. Do you need him or her to be familiar with a specific CRM tool or other software? What skill level should the candidate have within these tech tools?

Non-negotiable soft skills.

Let's continue with the non-negotiable soft skills that can be more important than hard key requirements when hiring sales reps to a startup. The reason for it is that there is a difference between a high-performing sales rep who is used to working with already established sales and marketing processes and a high performer that is coachable, creative, and willing to go the extra mile. This is also a reason why having industry experience can lead to a candidate who might not be coachable enough for the startup environment. There can be too much cross-functional communication in startups, difficult times, and grunt work to bet on someone who lacks the following four non-negotiable soft skills.

Curiosity
Curiosity is one of the most valuable traits that lead to an excellent hire for startups. Curious salespeople will figure out solutions to problems on their own, and let's face it, there can be a lot of issues and challenges in startups. Without curious hires, you risk creating a culture where people will bring you problems, and you'll be responsible for solutions.

Curiosity is hard to detect on paper, and you'll need to look for this trait during an interview. If a candidate comes into the interview with questions, and even better, if the questions are multilayered, count it as a good sign.

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When it comes to sales reps specifically, a high curiosity level can be shown when they pester. This means that if they're not satisfied with your answer, they dig deeper until they get to the bottom of things. This trait can be helpful for your company in the future when they are digging into customer-related issues with the same energy.

Coachability
Coachability for hires means ingesting feedback from peers and managers, and actively using that feedback to better their performance. Top performers are learning something new every day, and they are shameless when it comes to asking for coaching.

Coachability is also one of the traits you need to look for during your interview. Pay attention to statements like "I do it my way", "I have my own process," or "I don't really agree with the way my boss wants me to do it, so I do this instead."
These sentences are potential indicators of someone who doesn't like to learn from others or to be coached.

A more precise way of detecting whether someone is coachable or not is through a test. This can be either an assignment that you gave them to prepare before the interview or by putting them through small role-plays. Assess their performance and provide them with feedback or provide coaching and see if they'll apply it. If you can spot that the candidate absorbed your feedback and applied it during the second role-play or suggested what could have been done differently in the assignment based on your coaching, you most likely have a coachable candidate.

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Working ethics

Depending on the stage and size of your startup, you might have different expectations for sales reps' work ethics. For instance, if you're hiring your first sales reps, they need to enhance your sales decks, provide customer feedback, track data in CRM, and interview future sales hires. All at the same time as achieving their quota to provide your company with revenue.

To get an indication of someone with strong work ethics, you need to do a background check. See if the candidate had gone through college, when they got their first job, how long they stayed in the company, etc. During the interview, you can start digging deeper and ask them questions such as "Can you describe a time you went above and beyond? Take me through your most challenging task, and how did you handle it? Can you give me an example of a difficult task that made you work harder than normal?"

Positivity

The possibility of your new hires meeting challenges in your company is around 100%. Especially when you don't have that many employees that can support each other through difficult times, hiring a candidate with a positive attitude is a must. If your product breaks or a new marketing campaign doesn't work, it's crucial that your hire continues to push through.

To look for positivity in candidates, ask them questions during the interview about challenging situations they had to face. You want to be looking for thoughtful responses, that they never put down a co-worker, trash a boss, or feel like everyone else is wrong except them. This type of negative thinking can affect your company and employer branding which can break your team or whole startup.

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Create a proper job description.

Now, when you know who you're looking for, it's time to create your job description. We see two significant mistakes companies usually make when publishing job descriptions. One of them is the overwhelming amount of requirements for candidates in an attempt to hunt for unicorns. The second one is that companies write too much about themselves rather than writing for the candidates.

Let's start with defining your structure. As you most likely discovered by doing your own research, most companies are splitting job descriptions into three sections:
- Company info (you)
- Job responsibilities
- Who are we looking for

Most companies universally use these three sections, and only some are adding a few more. We highly recommend splitting it into six sections:
- Company info
- What's in it for the candidate
- Who is the candidate / who fits the role or title
- Work responsibilities
- Qualifications
- What are the steps in this hiring process

The shortest section should be your company info. It means that you should spend less time and space writing how great you think your company is, and instead focus on the candidate.

Spend more time clarifying what's in it for the candidate, who would be a great fit, what are some of the responsibilities in the role, 5 – 7 key requirements, 3 – 4 bonus points, and be transparent about your hiring process.

Top performers tend to be passive job seekers, which means you actively need to sell them the offer of working for you. Similarly, in sales, the approach that wins most deals is customer-oriented, meaning your pitch focuses on the client rather than on your company or product. Everyone can say they are the best at everything, but what's in it for the candidate who already has a secured position or several other hiring managers reaching out with a job offer? Don't feel like you need to copy your whole website into the job description. Keep it short and precise. Those that will see the benefits of working with you will naturally want to read more about you, and they'll visit your website.

For more details about writing your job description, you're more than welcome to reach out to us at

hello@ytalent.dk

Headhunting 101.

Headhunting candidates is one of the most tedious tasks in the whole recruitment process. Unless you own a specific AI tool designed to target people based on your requirements, you'll have to dive into social media such as LinkedIn or Facebook and post your job ads on different candidate platforms to attract more potential applicants.

Your search should be based on your ICP. If you have LinkedIn for recruiters, you can select specific filters to help you find the most relevant candidates. Knowing who you're looking for will help you immensely in your search and outreach.

Other hunting grounds you can consider are universities, mature companies, and vulnerable companies.

Fresh **university graduates** can be a quick way for you to find the next great talent that can unlock its potential under your guidance. If you have established some connections with university professors, they can direct you right towards star students.

The next place for you to look for are **well-established companies** doing a great job in a similar area you operate in. For instance, it can be an SME SaaS company, and you'll be looking for salespeople that are well trained and ready to move on to new opportunities.

Would you like to know more how AI is changing recruitment industry?

"AI is here to reshape the recruitment industry."

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Poaching people from vulnerable companies (it can be startups as well) can be an option. When a company experiences a shakeup, there's a window of opportunity. A few signs that you can look for are rumors of lay-offs, departure of a leadership figure, canceled fundings, etc.

A fantastic shortcut for you can be to use external recruiters. You can consider it as a resolve when you're short on time or confidence in following the previous steps. The important thing to keep in mind is to look for recruiters that hired talents for startups before. After all, it's different to hire talents for startups than for corporations.

After getting all the applications, you need to select who you want to invite for the first rounds of interviews. The whole interview process should be based on your ICP. That's why it's essential to spend enough of your time building your ICP because all of your next steps depend on it. We already covered in the previous chapter what soft skills you should be looking for and how to detect them during an interview.

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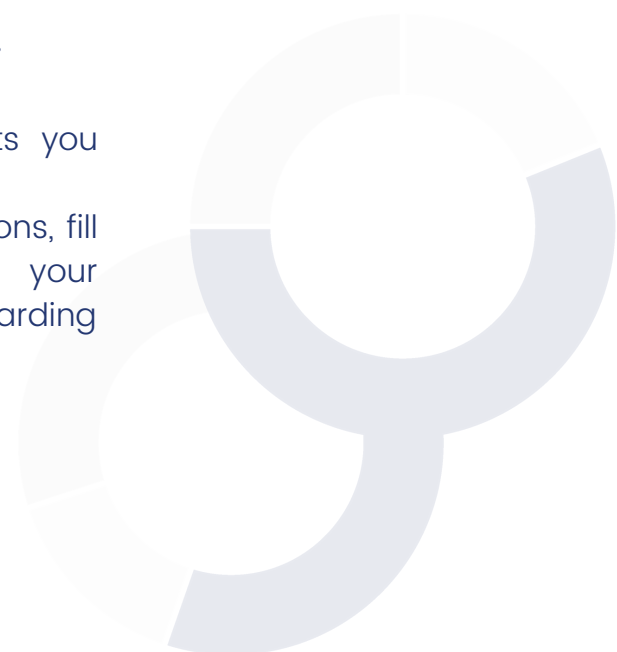
About our head of recruitment.

Jakob Hanssen is the founder and CEO of yTalent who helps clients unleash their sales teams' full potential. He has more than five years of experience within commercial recruitment and more than 12 years of experience in sales and sales leadership positions.
His coaching methods brought clients a 250% revenue increase, and the value of closed deals increased from 2000€ to 4500€.

Book a meeting with Jakob

Contact us
Email: hello@ytalent.dk
Phone: +45 27832759