

9 QUESTIONS TO ASK BEFORE WORKING AT A STARTUP COMPANY



Summary: Consider the future of the company and your job before jumping on-board with a startup company.

Working at a **start-up company** can be exciting and full of new opportunities to grow, but there are also some risks. Consider these questions **before accepting a job offer** at a startup company:

- 1. What else has the CEO done?** Research the CEO of the company to determine what kind of experience they are bringing to the company. A CEO with no experience may be difficult to work with when compared with a CEO that has established a strong company before. Eighty five percent of startups fail so you want to eliminate as much risk as possible so that you aren't left unemployed after a few years.
- 2. What is the funding for the company?** A company needs to have funds to support the company for at least a year. Funding can come from investors or other sources that can write checks. Good funding is not money that comes from family and friends.
- 3. Does the company have a strong vision?** A company needs to develop a strong vision that can effectively communicate to the public what that is. A vision will easily explain its importance to the market so that consumers will understand that they need it.
- 4. Does the company's valuation make sense?** You never want to work for a company that could be replaced by another with a lower valuation because you can be sure that someone else will come along and provide the service at lower cost, putting your company out of business. Check the company's 409A valuation not venture capital to make sure it is accurate.
- 5. How do the employees and partners interact?** Observe how the partners interact with each other and the example they are setting for the company. Partners that are emotional won't make a company emotionally sound. The same goes for the relationship between bosses and employees. **Gossip does not belong in the workplace**, so avoid working for a company where the workers are not respected.
- 6. What do the demographic trends tell about the company?** Check the demographic trends to get an idea of what kind of future the company has. A company that offers a service in a highly sought after field will do well even with poor management. Areas that are trending right now are robotics, 3D printing, internet, eco-friendly, and many more.
- 7. When will the company IPO?** While you can't ask this questions straight out at an interview, you can look into the history of the CEO. A smart company will wait 7 to 10 years **before turning to IPO** since a successful company can grow faster than the market so remaining private will maximize benefits for shareholders and employees. If a CEO has started another company, look at when it turned IPO to understand the intentions of the CEO.
- 8. Is the path to profitability clear?** While it may be years before a company makes a large profit, the path for getting to that point should be obvious.
- 9. What can you learn from the position?** Just in case you misjudge everything else, make sure there is a skill or something else that you can learn from immediately and then move onto a better job.

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