



Stanford eCorner

Recruiting Lessons for an Entrepreneur

Andrew Frame, *Ooma*

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Andrew Frame, founder of Ooma, discusses the importance of building an efficient team in a startup. He talks about the differences in the process of recruiting executives and staff members. Frame also touches upon his unique method of emotionally charging up potential employees about his firm before hiring them. He also cautions entrepreneurs of offering employment too soon as it might trigger auctioning for an employee.



Transcript

Recruiting. As an entrepreneur, this is the most important thing that you can do. I'm a young entrepreneur. I can't go out this alone. I need a team. I need an army of people. And there are sort of two different levels of recruiting. You have executive recruiting and you have staff recruiting, and they're two totally different monsters. Your leadership team, you want the best in the world at the position that you need them for. And for us, we don't go out and put out ads on Monster and HotJobs and stuff like that.

We are actively scouting and actively recruiting for talent. The people that we bring in to the organization are superstars at wherever they are and these are very well-established companies. These are people that are very high up, reporting to the CEO, and doing a fantastic job. We come in and it takes us time to first of all get their attention. The first objective is to get them out to lunch or out to breakfast. Once we have that, the objective becomes get them in the building so that we can pitch them because once we pitch them, they're going to start to get interested. It's a very slow process. A lot of entrepreneurs make the mistake of giving an offer letter too soon. When you have an executive, you want to close that person, wait until they ready to close. I made this mistake before.

You don't want to get into an auctioning process where there are ten of you and one of them. You don't want to be in that situation. Only give the offer letter once you've managed all of the risk and removed it all and they're ready to sign. Almost everyone on my executive signs the offer letter on the spot. We know what numbers it takes to get them. We know what the risks are. As long as we can meet the numbers and the risks are out of the way, we got them. And so spend the time, make sure when you give an offer letter that that person is going to sign pretty much on the spot. By the time they see the numbers, they're not going to join us because we're paying the most amount of money. Sure, there's equity involved but don't even get to numbers.

Talk about numbers afterwards. I mean, they should be jumping up and down by the time that they get you. You give an offer letter based on the opportunity and the company alone.