ASTRELLA®

A GET-REAL GUIDE TO ESTABLISHING YOUR COMPANY:

Getting Your Financial Foundation Right from the Start

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WHO OWNS WHAT?

WHAT YOU NEED TO KNOW ABOUT PRIVATE COMPANY OWNERSHIP

So, you've got a game-changing idea that's going to disrupt your industry. Congratulations! You're ready to move fast and break things, to turn it up to eleven, to do what most won't to live like most can't. You're ready to build your very own stairway to heaven.

And we love that about you.
But take a breath.

The startup landscape is a wild world. Sobering statistics are often tossed around about the single-digit percent of startups that make it, with relatively few companies receiving venture capital funding.

But there are steps you can take from the start to significantly increase your chances of success, from negotiating the initial agreement that lays out the foundations of your partnership with your co-founders to your five-year road map. Decisions you make now will determine how sustainably you grow, the quality of investors and investment you attract, and the level of control you maintain.

Let's build that stairway to heaven on a rock-solid foundation.

WHO OWNS WHAT?

"A lot of entrepreneurs don't really understand how the pie is divided,"
Carine Schneider,
President of AST Private Company Solutions.

Too many founders think it's just slicing up the company and distributing (or selling) the pieces. They think ownership is locked in with a one-time decision that lays out clear-cut, unchanging percentages (maybe they've watched too much Shark Tank?). They may think they own half the company and will always have the final say in decisions that affect it.

All too many learn the hard way that things change.

Even in the simplest scenario, where you and a co-founder are splitting company ownership 50/50, you'll need to put aside 10 to 15 percent for the employee stock plan. So, the slices have gotten more complicated before you've even thought about accepting investments from multiple rounds of investors.

What's more, regardless of stock types and percentages, your board will make important decisions about your company's finances, strategy, and even ownership.

(More on building your board later.)

A SHARE IS A SHARE... OR IS IT?

"Stock" sounds simple enough.

Except that the stock you and your employees hold in your company isn't the same as the stock your investors will own. It's important to understand the differences among different classes of stock and the powers and responsibilities that come with them.

"Say you and I each own 100 shares of a private company," Schneider says. "We can't really compare that value until we understand when we each bought the shares, what kind they were, and the rights and privileges that went along with those shares."

Although this can get far more complicated, the first key distinction to understand is between common and preferred shares. Broadly, common shares – the kind you issue in your own company – come with voting rights and low or no dividends, while the preferred shares, which are what you sell in priced rounds, usually do not have voting rights and pay higher dividends. In a private company, there is a lot of flexibility in the rights and privileges that can be assigned to different shares.

Your investors will negotiate preference items that affect how the shares are handled in the event of different outcomes, including at exit, which could be an acquisition or IPO, or maybe a liquidation.

Think of company ownership as a line of shareholders. You and your co-founder and your early employees were there first, so you're set, right? Wrong.

The thing is, the people who set up chairs and camped out from the start (holders of common stock) can get trampled by the folks (holders of preferred shares) who showed up much later with more money.

Savvy early investors will try to negotiate anti-dilution clauses to keep their percentage from shrinking, even as later investors line up preference items to ensure their full amount is returned to them. At your company's exit, you may be surprised to find yourself at the back of the line.

In short, ownership can be complex and not intuitive.

You need to make sure you always understand who has what type of shares, what the terms are, and what the implications are for your ownership.

You will be well served by lining up expert advisors who can help you make sure you are making the best decisions for your company from the earliest steps. It's also important to have access to a system that provides you with both exit as well as "next-round" modeling tools.

OK, SO SERIOUSLY, WHO OWNS WHAT?

With all the complexity involved in ownership, how do you keep track of everyone's place? Enter the capitalization table. The "cap table" is a tool that tracks company ownership data. In short, it determines that line of stakeholders by tracking their equity stakes over time. A good cap table means no surprises.

"Things get complex very quickly. I always say, if it's two guys and a dog in a garage, it's time for a cap table."
Carine Schneider,
President, AST Private Company Solutions

A common mistake new founders make is waiting too long to create a cap table. Nearly as common—and just as harmful—is creating a poor (or inaccurate) one.

While a simple spreadsheet may give a snapshot of a moment in time in ownership, it can be dangerously inadequate. Spreadsheet files can get lost, or a simple typo can change your billion to a million. It's important to use a robust tool to store, track, and model ownership data that tracks the changes to ownership over time.

The cap table is one of the first things any potential investor will request when considering an investment. In addition to showing constant, real-time ownership data, it will model the changes to your ownership under different potential investment scenarios.

Maintaining a secure, accurate, and intelligent cap table is one of the most important ways you can set your business up for success.

"A smart investor is always going to want to look at the cap table, and a smart investor is not going to want to look at a cap table that comes from a spreadsheet," Schneider says.

Once you've got your own shares in order, it's time to think about your employee stock plan.

Real talk: the incredible disappearing stake. There are countless stories of founders who kept raising money and had no idea how much their stake had dwindled until the company sold. Many a founder has started out wholly owning a company and ended up with single-digit stakes—or less—by the time the exit was complete, and they never even knew it was happening. Don't be that founder!

Resources: Take a look at how Astrella's cap table management software can help you set your company up on a solid foundation.

REWARD YOUR PEOPLE:

WHAT YOU NEED TO KNOW ABOUT SETTING UP AN EMPLOYEE STOCK PLAN

Sharing ownership is a way of making employees co-owners in your business. It can empower your people, give them a greater sense of purpose, and reward them for building your vision with you.

There are different kinds of employee stock plans, and the trick is to know what they are and how to choose the one that works best for your situation—not to create one from scratch.

ASK THE RIGHT QUESTIONS

Dan Coleman, a partner at Infinite Equity, says, "The first question to consider is: What do you want to accomplish with your equity plan?" Is the goal to compensate people for existing value, or do you want to drive people to focus on growing the value of the business? "There's a good chance the answer is 'yes,'" Coleman says. That is, a combination of the two. Next, you'll want to take into account the long-term vision for your company.

Are you hoping for a liquidity event at the earliest opportunity, or do you want to stay private and keep building?

Are you more focused on creating value or on incentivizing employees to stay?

FIND THE RIGHT FORMAT

Once you have your answers to these questions—or at least a good idea of them—you can think about what format you want to use.

There are two main varieties of equity-based compensation:

1. **Full-value stock**, such as RSUs (restricted stock units), which has its value right away and still has value even if the value of the company declines.
2. **Appreciation-only vehicles,** such as stock options, which allow the employee to benefit from future increases in value.

Each of these can be granted either as true equity, which involves all the rights and responsibilities of company ownership, or phantom equity, which entitles the holder to a cash payout without actual ownership. The possible combinations of types of stock and types of equity give four basic varieties of equity-based compensation.

Each decision leads to more questions. For phantom equity, will the value be determined by appraisals or with a formula? Will the vesting criteria be time with the company, or will you develop performance metrics? If you're thinking about an exit, what kind and with what time horizon? Most importantly, do you have cash to pay terminating employees if they are vested in their awards?

Without careful planning, you could create a scenario that backfires on employees. For example, under the wrong structure, an increase in stock value could saddle them with an unexpected tax burden for shares that they can't monetize.

Getting good tax and legal advice during the design stage is key.

Tip: If employees don't understand the awards, you're not driving behavior. That's not an incentive program; it's a lost lottery ticket: the possibility of a windfall that they don't know how to access.

EDUCATE, EDUCATE, EDUCATE

The average employee—no matter how brilliant they are at engineering, biotech, or content strategy—probably doesn't know a lot about how a stock plan works. We've seen cases where employees didn't understand the fundamental difference between receiving shares of stock and receiving options to buy stock.

The best way for a company to increase the ROI of its stock-based compensation is employee education.

- **Teach early and often.** Explain clearly at the time of hiring what the plan is and what they are receiving. Expect to explain it again and again.

  "Reinforcement is so important," says Jon Burg, another partner at Infinite Equity. "It's not a one-and-done kind of thing."

- **Meet your employees where they are.** Teach at a level they understand, using the channels that make the most sense to them. Do they learn better from a printed booklet, a slide presentation, or a library of short video explainers?

  Don't fall into the TL;DR trap ("too long; didn't read").

- **Keep information up to date.** Your company's long-term plans could change, and new liquidity options could emerge. Keep employees aware of what the outcomes will be based on—whether the company is heading for an acquisition or an IPO.

Frequent, clear communication and education can prevent a lot of unhappy, high-dollar misunderstandings. One of the best ways to track all this information is to give all employees access to a dynamic cap table or stock plan system that stays securely updated in real-time.

Teach them to get into the habit of checking it often so they can always see where they are, where they've been, and what their possible outcomes are in terms of equity.

> "If you want your employees to think like and act like owners, make them owners."
>
> Dan Coleman,
> *Partner, Infinite Equity*

Finally, you will want your board to approve all stock grants. All awards should be memorialized in your board minutes.

So next, let's make sure you know how to build a great board.

Resources: To go in-depth on your employee stock plan, visit **Infinite Equity** online to learn more about employee equity compensation solutions.

GET GOOD GUIDANCE:

WHAT YOU NEED TO KNOW ABOUT BUILDING AN EFFECTIVE BOARD OF DIRECTORS

Building and managing an effective board—at the right time—could make or break your company. It can determine whether you build your business wisely, with the support of experienced advisors, or lose control of it completely. We spoke with Richard Moran, an experienced board member and board chair, who shared some of his wisdom.

There are generally two types of boards: an advisory board (or council) and a board of directors. As a founder or CEO, you will need advice, guidance, introductions, and, sometimes, just a place to vent. Selecting the right people—and ensuring they understand their roles and responsibilities—could be extremely beneficial to you, your shareholders, and your clients.

Let's discuss what each board does:

An **advisory board (AB)** is just what the name suggests: a group of people who can give you advice about various aspects of your business.

As the founder, you get to choose whomever you want for this. But this isn't extra hangout time with your old buddies. You'll want to select several people, each with expertise in a specific area and preferably with experience and connections within your industry. Connections are key! Think about people who have some reach with the audience for your product or message, or can open doors for you to large clients.

How often you meet and what you pay them is up to you. The relationship could be as simple and informal as meeting a few times a year remotely or over dinner—on you, of course! Or it could be a more formal arrangement, like monthly meetings with travel expenses paid and compensation in stock options or an equity stake. How you structure it depends on what your expectations are. Will these people be asked to help you raise money or help sell the product? Are these experienced businesspeople who can help you set up your operations, expand your market, and provide technical expertise, or will you just look to them for general advice once in a while?

So, what makes a good advisor? She or he is someone who believes in your mission, has expertise (and maybe a little pull) in your field, and is excited to help you think things through. A little star power never hurt anyone. But don't be blinded by the lights (and impressive job titles)! Be sure to balance the wow factor of a big name on your AB against the need for people who are really going to show up for meetings.

Investors will be interested to see the names (and resumés) of the people on your AB, but they will discount their contributions if these people are not also on your board of directors. It is generally assumed that AB members are not always investors in the company, so they themselves haven't risked much (other than their time and reputation) to support your company.

Your **board of directors (BofD)** is a completely different animal. A new company will typically begin with only the founders and perhaps a key investor comprising the board. As the founder, you'll most likely be the chair of the board to start.

"The number of people is not as important as having a sense of who does what on the board, clarity about different roles, and a willingness to work for the *company's* success, not the *board's* success," Moran said.

This board guides company policy and has a fiduciary responsibility to lead the company and protect the shareholders. They will make important decisions about long-term strategy, whether to hire more people, when to seek more financing, and whether to dilute current shareholders.

"A board should always have three things on their mind," Moran explains. "The first is, 'How are we doing?' The second is, 'What's the plan moving forward?' And the third question is, 'As a board member, how can I help?'"

One thing too many founders forget: **the board is your boss**. They can fire you, even if you are the chair and founder of the company. A simple majority of the board makes key decisions.

You'll want to start creating your board before you do your first significant round of fundraising. Having a few hand-picked, trusted investors and advisors in place will serve a few functions.

First, their presence and perhaps connections may help attract new investment.

Second, they should be able to help you negotiate the term sheet with the new investors.

And third, they can help protect your interests when new directors come aboard.

Expect that large investors will want a seat on the board. This is normal and can be a great help to you. Keep in mind, though, that professional investors tend to sit on multiple boards together. Say you approach investors with only yourself and your cofounder on the board, and you seat three new investors who do deals together. Those three may very well be voting together, as their interests will generally be aligned. Guess what? You just lost control of your company.

So, make sure you have your allies in place first and always consider the makeup of your board.

Tip: Why have an odd number of board members? To avoid a deadlock on a vote.

HOW DO YOU FIND THE RIGHT FIT?

If your company goes public, shareholders will vote on the board members. Until then, it's up to you to choose judiciously.

- **Do your due diligence in researching their background.** Talk to CEOs of other boards your candidates sit on and ask how engaged and helpful they've found your candidate to be.
- **Check for chemistry.** Have conversations and make sure you trust them and feel comfortable talking with them. Definitely have more than one or two conversations.
- **Consider balance.** One tech whiz on the board is a secret weapon. Three tech whizzes are a wasted opportunity. Choose people whose skills complement each other rather than collide.

COMMON MISTAKES

- Letting your board members get too involved in operations and management. Keep their function high-level and strategic.
- Believing your board members have superpowers to arrange the one, big make-or-break meeting. There is no magic bullet or superhero.
- Being dazzled by connections that aren't relevant to you. Your board member knows everyone who's anyone in the wine industry? Great—but only if you're selling wine.
- Creating the board in your own image. Too many founders build a board that looks like their own fraternity or sorority house. Profit from a variety of ages, opinions, and life experiences.

TALK TO ME

"I find lots of times that there are real problems with communication between boards and the CEO," Moran warns. Remember, creating the board is just the first step. Once the members are in place, it's up to you to keep lines of communication open. Your company may be the only thing on your mind, but your board meeting could fall into the middle of a long to-do list for your members. Consider giving each board member a call, one-on-one, before each board meeting to see what thoughts, concerns, and advice they have.

You certainly don't want to be surprised at a board meeting or find that the board members are having conversations without you. Know the issues in advance and be prepared to respond to the questions during the meeting. Since your board guides the strategy for your company, a good board and a good relationship are fundamental to your company's success.

Real talk: Communicate. Over-communication with your board is key to a good working relationship. We know of one board that was at each other's throats because they thought the CEO was overpaid, while the CEO insisted he was underpaid. It turned out his pay structure was so complex that they were all looking at very different numbers. The discrepancy was solved by going back to the facts.

Resources: An online tool we recommend for finding good board members is Equilar. Visit **Equilar** to learn more about how they connect potential board members with fast-growing companies.

KNOW WHO'S WHO ON THE FINANCE SIDE:

WHAT YOU NEED TO KNOW ABOUT THE INVESTOR ECOSYSTEM

Money is the lifeblood of your company, and keeping investments flowing in is a constant necessity. There's a whole ecosystem of investors who will meet your company's needs at different stages. Generally, the formality and complexity of the arrangement will increase, along with the value of investment, in each round of funding. There is no one-size-fits-all approach, but there are some key types of investors you should know.

Friends and family rounds are a frequent starting point. This is the time to share your vision with the people who want to help you out because they like you and your idea. What you're looking for at this point is just enough money to let you and a few key cofounders keep the lights on while you get to a proof-of-concept stage with a prototype or preliminary design. The people investing at this early stage are usually acquaintances who are helping because they care about you, not sophisticated investors looking for a big (or any) return on their investment. In this arrangement, always prioritize preserving the long-term relationship and don't promise returns.

Crowdsourcing or crowdfunding (Reg CF) is an alternative method of fundraising. You can use crowdsourcing platforms to spread the news that you're doing something you're excited about. Platforms have different fee structures and models. Crowdsourcing sites, like Kickstarter, or crowdfunding sites, like Wefunder or StartEngine, keep a percentage of the funds you raise, whereas sites like Fundable have a monthly flat fee. On these sites, people who contribute are not always looking for a monetary return. Instead, there's often a tiered quid pro quo that will reflect the level of investment. This could include any combination of early access or discounts on your product or service once it's live, insider updates on your development progress, or some kind of physical swag.

These sites act as an intermediary between you and the investors, enforcing the rules of engagement so you don't have to. Keep in mind, you do need to go through a process to be accepted, and there are now disclosure requirements you must meet under Reg CF.

Incubators can be helpful for both investment and support. Incubators are often focused on a particular type of startup or affiliated with a university or a particular founder. They provide an environment for networking and information-sharing with peers, along with mentorship and expertise. The capital investments incubators make can vary widely, from tens of thousands to hundreds of thousands of dollars. The ownership stake they will take in the company can also vary from zero to as much as 15 percent. If they have an investment arm and believe strongly in what you're building, they may go on to participate in your priced rounds with an even larger stake.

There are no hard and fast rules about what their terms or results will be. If an incubator is a great match in terms of resources and support, it can catapult you forward.

Angel investors are likely to support a seed round once you have established proof of concept. Angel investors can be solo, but often work in small groups of three or four and use their own money to take chances on early-stage startups in exchange for equity. Their investment can be one-time or ongoing. Angel investors may be people with whom you already have a relationship, or at least mutual acquaintances, but they may also be interested outsiders.

Generally, they are investing in the founder as much as in the company, so interpersonal relationships count. Solo venture capitalists may also invest at this level, though they may be a bit more cautious since the money they're investing belongs to other people.

Venture capitalists (VCs) may provide the biggest investments in your company in priced funding rounds. Unlike angel investors, VCs are investing their firm's money and tend to deal in amounts over a million dollars. These days, Series A financing from a venture capital firm could be in the range of 10 or 20 million dollars. Though you may still be in the product development stage, you should have a clear idea of where your company is going and what makes it viable. These investors will likely want a seat on your board and therefore will have input in your strategic business decisions.

Strategic investment from a large company is possible depending on your product. For example, a fashion or cosmetics startup might receive a corporate investment from a large retail company with an interest in carrying the product line. If you're in alignment with the investor for the long term, it can be a very supportive relationship. But the corporate investor is beholden to the corporation, with its own milestones and objectives, and those might be at odds with your company.

There is a risk of potential conflicts of interest if you want to consider being acquired by a competitor of that investor down the road. Be careful about how much power you give a corporate investor, and make sure your terms and conditions don't affect your ability to exit in the way you'd like.

Overseas investors can also be a source of income. If a legitimate investor from overseas wants to put money into your company, it probably means they're interested in bringing you into their country to do business there. Think about how this fits in with your strategic growth plan.

Overseas investment will require added layers of scrutiny, but there's no reason to avoid foreign money. You should always look at investors in terms of the potential value they bring to your company and go with the "smart" money that brings you the most value.

PEELING THE ONION

Whatever your source, you want to raise as much as you can as early as you can, and then make it as far as you can on that investment. By the time you get to your Series A round, you want to think of raising enough funding to last for the next 18 months. In 12 months, you'll be out there raising money again.

We spoke to Warren Packard, a business and technology advisor who worked as a managing director at venture capital firm DFJ before running his own company. "Rounds of funding can be like peeling an onion, with increasingly complex layers revealed as you go deeper into the possible variations," he explains. Each deal will be structured differently, with unique preference items, milestones, and allocations of stock types.

"The best advice is to work with individuals who've been there before and know what's going on," Packard says. "There are a lot of details, and, as an entrepreneur, you probably don't want to spend a lot of time learning about everything going on in the world of financing."

Whatever your funding source, you'll want to make sure you're working with an excellent lawyer who knows the questions to ask and the structures to put into place to best support your goals and help you think a few steps ahead. Since there are so many variables in each step of the funding process, each decision you make can have a complex domino effect on your company's future.

A good cap table with next-round modeling will help you understand the possible outcomes of different investment scenarios and think strategically about which investments make the most sense.

Having a sense of the road ahead can also help you make wiser near-term decisions about how to spend the capital you have in hand.

"Assume the best and plan for the worst."

Warren Packard,
Business and technology advisor, DFJ

Real talk: A solid corporate investor can be a powerful partner. But remember that the corporation's objectives could be at odds with yours. If they're new to investing, they may decide financing startups is no longer a priority and skip your next round of financing. Even though the decision is based only on their corporate strategy and not your performance or outlook, it can still tarnish your appearance with other potential investors.

Resources: We recommend you have a specialized lawyer help you negotiate all your investor term sheets.

THE MILLION-DOLLAR CHECKLIST:

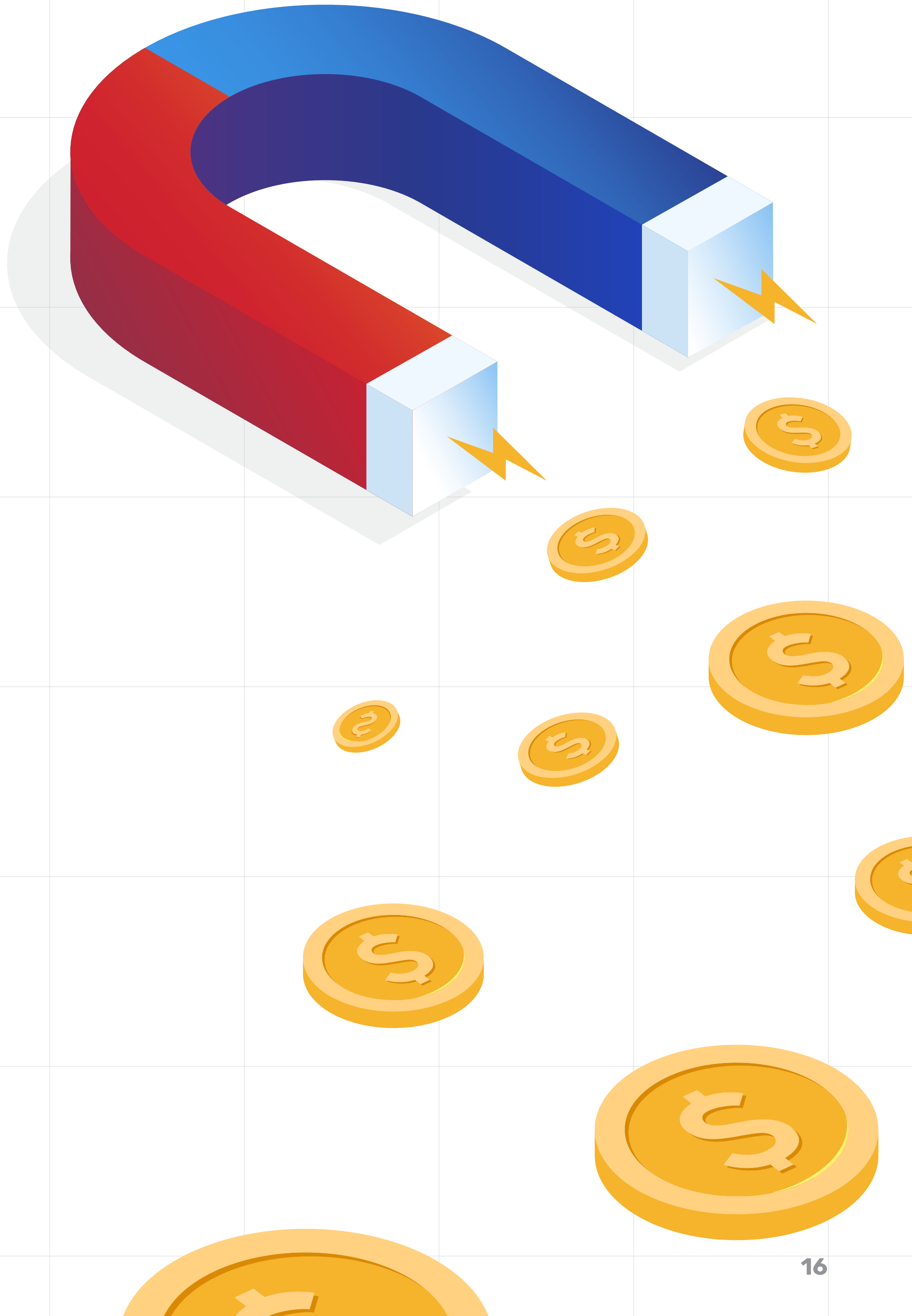
WHAT YOU NEED TO KNOW ABOUT SPENDING YOUR START-UP CAPITAL

The fancy office and fun perks might seem like a good idea, but investors are watching what you do with their money. You'll want to be fiscally responsible. While a certain level of investment in company culture and employee quality of life makes sense for attracting the talent you want, you also need to think in terms of investing in ways that will build the future of your company.

We talked to Jeff Burkland, Founder and CEO of Burkland Associates, about how to handle your first big investment. First things first, what do you do when you start getting those checks with a lot of zeros on the end?

Real talk: Spend wisely. We know a founder who got a hairdresser to come to the office to cut his hair. He got so excited about the convenience that he extended the on-site haircut service as a perk for the company's other employees. The employees may have been better groomed, but their investors did not think it was a good look.

Resources: When the time is right, learn more about hiring a fractional CFO or financial reporting support with **Burkland**.



HERE'S YOUR TO-DO LIST FOR YOUR FIRST BIG CHECK:

Head straight to the bank—the right bank. "All banks aren't the same," Burkland says. Most retail banks aren't set up to efficiently handle the types of checks that you'll be getting from investors. You want to put your money in one of the well-known banks that specializes in working with companies like yours, like Silicon Valley Bank, Rho Bank, or First Republic Bank. They speak startup. They're more likely to be comfortable extending lines of credit to brand new companies, and they may even be able to help you network.

Get a bookkeeper. If you're dealing with your first million dollars or so, you don't necessarily need a chief financial officer. Well before you need to think about a CFO, you need a good bookkeeper who can run everything on the tactical side, keeping track of all the movements of the money.

Always know your burn rate and how much runway you have: in other words, how fast you're spending your money and how long it will last at that rate. It's simple to calculate if you have clear visibility of your bank balance, income, and expenditures.

Report these numbers to your board at each meeting, or share them once a month if your board isn't meeting that often. The board can give guidance on your burn rate, suggesting ways to slow it down and operate more efficiently or encouraging you to be more aggressive.

Keep an eye on your benchmarks. "Everything keys off of where you want to be by the time you raise the next round," Burkland says. "What will you need to accomplish to get the funding you need at your next raise?" Whether it's improving product-market fit or proving a certain amount of market traction, once you know the targets, your board can help you strategize about how to hit them.

Build a strong tech toolkit from the start, but make sure it's right-sized. You're not likely to need a robust customer relationship management (CRM) platform right away, but you should make sure your finance tools support you. "There used to be a time when cap table management was so expensive that we'd encourage companies to do it themselves for a while," Burkland says. Now, secure, intuitive finance and accounting tools like QuickBooks Online, Bill.com, Airbase, and Abacus are affordable for startups of every size.

Consider a fractional, or part-time, CFO between your seed round and Series A. "The CFO you can afford full-time at this point may be too junior and underpowered for the work that needs to get done," Burkland says. As little as five hours a month from a seasoned professional can be an excellent strategic lever. This person can help you determine compensation structure as the company grows, improve your financial metrics, and think several steps ahead.

"The value a good CFO provides is helping you see around corners."

Jeff Burkland,
Founder and CEO, Burkland Associates

TOP 10 TAKEAWAYS FROM THOSE WHO CAME BEFORE YOU

Thuy Vu is a business leader and entrepreneur who spent two decades as a journalist. She has interviewed numerous entrepreneurs over the years and continues to do so as Co-Founder and CEO of the Global Mentor Network. Throughout these conversations, she has seen some patterns emerge in mistakes and successes.

Most of all, she encourages entrepreneurs to push themselves: “Any time you push outside of your comfort zone, you risk failure, but you also put yourself in a really great position to reap some amazing rewards,” she says.

Here, she’s distilled 10 of the top lessons she’s gleaned from the stories she’s witnessed:

1. Hire the best people for the job, not your best friends.

It’s tempting to bring your buddies on board, but your company—and your friendships—will be stronger when you think about jobs in terms of skillsets rather than personalities.

2. Hire missionaries, not mercenaries.

Make sure everyone shares the same commitment to the big idea behind the company and is willing to go on the long journey to get there.

3. Fall in love with the mission, but not the product.

You may need to reevaluate what the right product is and pivot to a new idea that will bring your vision to life.

4. Don’t be paralyzed by perfection.

Whatever your product or service is, it’s more valuable to get something out there and then iterate than it is to tinker by yourself with no feedback.

5. Failure is a good thing.

To lead change, you have to risk failure. As Tom Watson, legendary founder and CEO of IBM said, “If you want to increase your success rate, double your failure rate.”

6. Strong communication is vital.

Investors hate losing money, but if you’re working with integrity and keep communicating clearly, they’ll understand even when things don’t go as you hoped.

7. Find your passion.

What will propel you through the long days (and nights and months) once the initial adrenaline has worn off? Passion is what takes you through the crises and the doubt.

8. Self-confidence is key.

The best founders have an incredible belief in themselves and the sense that they are purpose-built to solve the problem they’re most passionate about.

9. Celebrate early and often.

It’s easy to look at the road ahead and feel overwhelmed, but it’s important to keep an eye on the rearview mirror to assess and recognize wins of all sizes.

10. Keep going.

Julie Wainwright gained infamy when the company she led, Pets.com, sank and became the poster child for the dot-com bust. She went on to found The RealReal, a marketplace for luxury consignment. After this reinvention and much perseverance, she is one of only 20 women who has founded a company with a Nasdaq IPO.

Resources: For more insights from entrepreneurs and business tools to help your business grow, we recommend you visit **Global Mentor Network.**

CONCLUSION:

DO MORE OF WHAT YOU LOVE

There's a reason we want you to get the right tools and processes in place up front: so you can immerse yourself in your passion and your vision, and help your company run successfully.

You can continue the deep work of knowing who you are as a company and what differentiates you, even while you remain agile and ready to pivot when necessary.

At Astrella, we are insanely passionate about helping businesses succeed and ensuring you manage your ownership from day one. Among us and our ecosystem of partners, we have decades of experience in every aspect of starting and running businesses—including founding, failing, and iterating, iterating, iterating until we found success.

Reach out and let us help you do more of what you love.