

TIPS ON FINDING THE RIGHT CO-FOUNDER FOR YOUR

Startup



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January 2023

www.oal.law

The early stage of every business is usually one of the most critical phases for most startup founders/business entrepreneurs. Aside from sourcing for capital, testing and developing a minimum viable product (MVP), one of the most important aspects of starting a company is “FINDING THE RIGHT CO-FOUNDER”.

So the first question should be: is it necessary to have a co-founder? or perhaps more persuasively, why is it better to have a co-founder than not? Well, here are some reasons why:

“Two heads are better than one”. Having a co-founder can increase productivity-through division of Labour, multiply productivity, positively impact effectiveness, increase the strength of the team as one founder may possess some skills that the other may not, sharing of ideas which leads to better work output.

The early stage of every startup is usually the most delicate and arduous. Developing a startup can be an incredibly intense and tasking process and it is highly recommended to have the benefit of a like minded co-founder to lean on during tough times. The presence of a co-founder helps to even out the highs and lows faced by the other founder. Unlike an employer-employee relationship which is limited, employees are not as invested in the business as a co-founder. This emotional support impacts positively on the founder and in turn, the output of the business.

Most of the successful startups in the world like Google, Microsoft, Facebook, Amazon, Apple etc all had co-founders during the early stages of their business. Most times people forget this point because when they hear of these great iconic companies they associate them with a particular individual, who most often is the CEO who has overtime become prominent in the industry. For e.g when you think of Apple, you think of Steve Jobs, Microsoft-Bill Gates, Facebook-Mark Zuckerberg, Amazon-Jeff Bezos. Whilst it is true that these persons managed and built their companies, they had co-founders whom they worked with and learnt on at the early stages of their companies.

Personality Traits And Skills To Assess Before Onboarding A Co-Founder

Whilst you may not necessarily subject potential co-founders to a Myles-Briggs personality test, there are still some behaviours to look out for in a co-founder. Here are some examples;

1. Does The Person Pass The Personality Test

The reality about running a startup is that the startup world is not for everyone. It requires a great deal of self motivation, self determination and grit. Whilst not everyone

may want to be at the helm and in the spotlight, some founders are happy to stay in the background. One major trait they will need to share is a genuine desire to solve problems, enjoy long periods of grinding in silence before the business actually takes off. This type of mindset is not suitable for everyone and can cause a fair share of friction and frustration if not handled properly and together.

2. Person Of Value/ Share Commons Goals And Values

This is key as it helps the founder to avoid conflicting goals/interests. It is advisable to have these conversations to ensure that your goals and values are aligned. Running a start up successfully requires certain soft skills such as communication skills, selling skills, marketing skills, etc. Is the person the type that is known for consistency, commitment and reliability and is he/she willing to work hard? Ultimately, the co-founder relationship requires a certain level of trust and confidence to be successful.

Good co-founders should be people of value and should be able to communicate the value of its start up to potential customers and investors.

3. Skills And Competence

Having a co-founder with the right set of skills that can help the business take off is considered gold. Technical know-how and strong understanding of the market segment and the product will prove invaluable.

Where To Look Out For A Co-Founder

- Start off within your network. Ideally your friends, family members or colleagues.
- People who you share similar interests with.
- Those you may have worked with on major projects and you enjoyed their personality or work ethics.
- Going out to places and functions where you can meet people with similar interests.

Making The Leap

Having applied all these guidelines and you finally find a potential co-founder, how do you test the waters to ascertain whether you both want to start a company together before making any final commitment? There are some practical steps you can implement as a founder:

1. Allocate a time frame/deadline to work on your product/testing out your minimum viable product (MVP) together. This is usually the first stage for most founders and is more like a test run process.
2. Have honest conversations about the outcome of your work. It is good to ask questions like, Did we both enjoy working together or not?

Once both founders have decided to work together, there are two(2) further important points to ensure that you and your co-founder are in agreement on;

1. Decide on the equity split.
2. Apportionment of roles)? Failure to delineate roles can become a source of conflict. Advisably, it is good for founders to honestly decide who is best suited for what role before starting the company. Several roles include chief operating officer(CEO), chief financial officer(CFO), chief operating officer(COO), chairman etc

Formalise The Relationship

Once you have found your perfect partner(s) the next step is to formalize the relationship. This involves;

- Appoint a competent legal advisor with start up experience.
- Draw Up a Founders Agreement.
- Draw up a Vesting Agreement.
- Incorporating a Company.

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