

Gorillas in Our Midst

Having a big name on your team isn't enough, but it sure helps!

Q: Where do you go with an 800-lb gorilla?

A: Anywhere You Want.

When you're five, it's just a joke. When you're a new start-up looking to hit the big time, it's a rule to live by — get a big name on your board to complement your team and technology, and watch your credibility in the industry and the venture capital (VC) world grow.

There are a few incidents in the life of a young company that really alter its presence: the first major deal, a new CEO, receiving venture capital, and adding high-powered talent — the gorilla — to the board. Although a deal or money can make a great press release, anyone with practical business experience knows that money without leadership and management is wholly useless. Especially in today's uncertain market, with its undulating market values and rapid transfers of funds and personnel, companies are shifting their focus to acquiring talent first and VC money second.

There are two main reasons for the shift:

- The gorilla provides seasoned leadership to a young company with little experience.
- The gorilla gives a company strength to make deals on its terms rather than trying to negotiate deals from a disadvantaged position

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Within a company, the gorilla provides much needed leadership and corporate guidance. Many start-ups, especially those in high-tech industries, are blessed with young, ambitious, and talented management teams and employee pools. They're excited about their technologies, but don't have the real world industry experience to realize their goals. The gorilla fills the leadership gap; although not as young or starry-eyed as the management team, the gorilla's knowledge of the ins and outs of business can get a promising company on track by streamlining business models and teaching younger team members the proverbial ropes.

All of this solidifies the gorilla's second role, that of an anchor for investors and venture capitalists. Innovative technology is the foundation of any successful company, but without proper guidance such technology is effectively useless. Venture capitalists know this, and they won't invest any money unless they are sure that the right people are in place to move the company forward. Private investors are easier to assuage; show them that your gorilla has done this sort of thing before, and they'll be inclined to put their faith in your endeavor. When dealing with investors, the gorilla's track record proves as powerful as anything that your company already has in place.

The Gorilla Under Attack

The main problem with getting a gorilla is keeping it happy. Given its stature in the business world, your gorilla probably won't work cheap (meaning a big payout in cash

or, more likely, stock), and its high profile opens your company to attack. The media, investment banks, and even venture capitalists, although impressed with the gorilla's name and reputation, will be curious and skeptical as to why it chose to work with a company that is low on cash, low on revenue, and has yet to prove itself.

Criticisms that the gorilla is a token big name and that it has no real interest in the company's progress will be rampant, and your communication department must spread the word otherwise. Keep the public up-to-date about the gorilla's involvement with the team; how it provides guidance to team members, its implementation of contacts, insight into the industry, and use of practical business experience to get your company where it needs to go. Without this strong counterattack and back-end support, the gorilla's ability to help your cause will be lost. **BP**

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