TECH CEO COMMUNICATIONS PLAYBOOK

Winning communications strategies
for success

MAKING MISTAKES

WHY COMMUNICATION IS A PROBLEM
AND A SOLUTION

Tyto

LEARN FROM THE BEST

We've spoken to 35 of the world's **most successful tech entrepreneurs** as part of the **Unicorn CEO series** on our Without Borders podcast.

The **Tech CEO Communications Playbook** is a series of four guides compiling the best nuggets of advice from these conversations, with a particular focus on how these successful tech leaders have learned to polish their communications skills - both internally and externally.

If you're a tech leader, marketer or CEO, check out the rest of the series here to craft a winning communication strategy:

- **Making remote work, work.** Tackling the internal comms challenges of working remotely.
- **Making mistakes.** How to communicate your failures and encourage a healthy error-culture.
- **The beauty of hindsight.** Advice CEOs would give to their younger selves.
- **Mentors and teachers.** The role of mentors in the start-up world and lessons to pass on.

MAKING MISTAKES

Why communication is a problem and a solution

Mistakes are human. And when starting a new business, they're inevitable. 90% of start-ups fail – and 10% don't even make it to their second year of business. Those early years provide a rollercoaster for those who make it through.

As Job van der Voort, who Co-Founded Remote in 2019 and still runs it as CEO, confirms: "If you want to start a business, you're going to make a gazillion mistakes – but more often than not, those challenges provide your biggest growth opportunities."

The most interesting recurring theme throughout all our discussions on mistakes was communication – both as a cause of major missteps and as a means to fix them. Here's what successful founders said were the most common stumbling blocks, especially in communication, and what advice they give to founders to best navigate those first critical years and hiccups.

FOUNDING A START-UP IS ONLY THE BEGINNING

Mistakes can take numerous shapes and sizes depending on a start-up's business model. When asked what his biggest mistake has been, Erez Galonska quickly thinks of one he can tell us about. He is the CEO and Co-Founder of Infarm, an intelligent modular farming solutions provider that allows farms to be distributed throughout the urban environment.

To grow his business, Erez decided to bring in more senior and experienced people at a relatively early stage, which sounds sensible on the surface but turned out to be a big mistake. Not because the new people were not a good fit, but because it overlooked the existing team and denied them the chance to prove themselves and develop. While Erez wanted to rectify the problem quickly once he had realized the damage the recruitment strategy had caused, his haste led to communication that was received as chaotic and untrustworthy.

In many ways, the lack of communication around the decision to change up the recruitment strategy was more problematic than the decision itself. It

was a small, understandable mistake, but you can quickly imagine how the impact multiplied.

IT'S NOT ABOUT FAILING, IT'S ABOUT HOW YOU RESPOND

Avoiding failure altogether is impossible. A much more important thing to consider is how you perceive and react to failure – and, as the Infarm example illustrates, how carefully you manage the communications with your team, your investors, and the market.

The sooner a start-up learns to accept these challenges as part of the development process, the better prepared it will be when the next problem comes along. It's about resilience. But how can founders build and nurture it?

HOW TO BUILD A HEALTHY ERROR CULTURE

Entrepreneurs should exert less energy trying to get everything right the first time and more energy learning from those inevitable mistakes. Creating a company culture that is a safe space to fail and to express ideas without fear of judgment can be the most empowering thing a start-up can do.

Shane Happach says: "I think a lot about just trying to hire the right group of people that feel like they can express themselves well here, and that there are opportunities to progress and work in a challenging environment, but one that is nurturing or allows for freedom of expression and new ideas, too." He spent more than two years as CEO of Mollie and helped turn the company into one of Europe's fastest-growing payment service providers. He adds: "Just because the payments industry has developed over time doesn't mean there won't be disruptive developments - and those are more likely to come from companies that allow people that kind of intellectual freedom."

The whole team has an important role to play. After all, it is in day-to-day collaboration that such a culture of trust must be actively lived and supported, and where growth happens.

[Joshua Motta](#) has a similar view. He co-founded Coalition, a leading cyber insurance and security provider, in 2017 and observes that this open culture of failure is something many struggle with. He says: "A lot of companies don't want to talk about their problems. It's uncomfortable... But I very much see my job as to do almost exclusively that."

> 66 *We must stay focused on asking the question, 'how can we do this better?' That is the question I ask more than any other on a day-to-day basis."*
>
> **Joshua Motta**
> CEO and Co-Founder of Coalition

DIVERSITY DOS AND DON'TS

Diversity, equity and inclusion (DE&I) plays an important role in the challenges and common mistakes startups make. Many CEOs still underestimate the great success that comes with diverse teams. Companies with more than 30% of female executives are more likely to outperform those with between 10-30%, according to [McKinsey analysis](#). The same goes for ethnic and cultural diversity - here, companies in the top quartile outperformed those in the fourth quartile by 36% in terms of profitability.

Building diverse teams is not just good for social reasons and marketing - it is simply good for business.

And thankfully, it can be much easier for companies that work remotely to build a diverse, multinational team. People who are unable to commute long distances for personal reasons, such as having young children or living in a remote area are also more likely to get the chance to participate. As start-ups increasingly rely on this model of working from the outset, they can develop more diversely and inclusively.

But diversity can be a common source of pitfalls too – both internally and externally. Cultural communication differences across borders can often be overlooked and lead to at best awkward encounters and at worse, major offence. For example, while small talk plays a big role in building and maintaining relationships in many Asian cultures, getting to the point quickly is preferred in countries like Germany. Here, too much chatting about personal matters can even be seen as disruptive and unproductive. The same applies to hierarchies: in the US, a casual approach to dealing with each other across positions is normal, but this can be irritating to Asian colleagues and clients.

Social and cultural misunderstandings are painful and awkward. Similarly, DE&I initiatives can backfire if poorly constructed and promoted, which is why communication around them is so important.

> 66 *Diversity is a big challenge in communication. Most companies don't really know where to start and they don't know how to approach DE&I in a way that is kind of meaningful and isn't a performative thing."*
>
> **Mariano Gomide De Faria**
> Co-CEO and Founder of VTEX

Motivation for championing diverse policies and becoming more accepting of other cultural differences should come not from a desire to advertise this externally, but from core company values and a belief that more diverse teams will empower the organisation.

Motta continues: "In the end, building diverse teams has a lot to do with values. These need to be communicated well and clearly – and it pays to stand firm (on DE&I policies) when things are not as rosy as the statistics often promise."

COMMUNICATING MISTAKES MEANS BATTLING EGOS

Motta argues: "At some level, I feel like almost all problems in humanity are communications problems."

To avoid dying from mistakes, then, it is important to address them with full openness and transparency.

> 66 *The biggest mistake that you can make is not following up, not fixing things."*
>
> **Job van der Voort**
> CEO and Co-Founder of Remote

And he explains: "If I feel like I did something wrong, the worst thing I can do is just sit with that and let it be. In that situation, you should always deal with it as fast as you can."

IT'S A MARATHON, NOT A SPRINT

It's unlikely that you'll be an expert communicator from day one. Instead, the skills needed to communicate are usually learned along the way. That was the key advice that Poppy Gustafsson, CEO and Co-Founder of cybersecurity company Darktrace, revealed to us. The type of skills she has acquired range from how she speaks to the way she presents technical topics to non-technical audiences.

Poppy says, "I've had to slow down, or I'm told to slow down, but... I do still speak very quickly."

"Often what we're communicating is something that's very deeply technical, and we might be communicating to a non-technical audience. Translating what we're doing in a way that can be understood and consumed has been key to clear communication. The way that we've achieved that is through analogies. We're very strong at using biological analogies in what we do."

This is true even of Darktrace's core product, called Enterprise Immune System because it replicates the human immune system. Using stories and bringing technical concepts to life with more every day, familiar analogies is hugely powerful in helping whoever you're talking to understand.

GOOD COMMUNICATION STARTS WITH LISTENING

For founders, being told they're wrong for the first time or when facing an error in judgement, the key is to ditch your ego as soon as you can. That means being open to other perspectives. Former CEO and Founder of Amperity, Kabir Shahani, says: "For me, the mistake has been needing to have a point of view or opinion about everything versus picking the things that matter and then setting the standard. This gives people the freedom to go and execute."

Romain Moulin, CEO and Co-Founder of Exotec, agrees: "When you are not confident, you want to prove something, then you talk too much. I think this switch from talking to listening was the biggest challenge."

STRATEGIC ADVICE FROM TECHNOLOGY TITANS:

- Mistakes are part of the business. Instead of putting too much energy into avoiding them or sweeping them under the carpet, start-ups should see them as an opportunity to grow.

- A positive error culture helps start-ups to remain resilient and to respond to mistakes in a solution-oriented way. It is important to hire the right people who promote these values in their daily work.

- Diverse teams offer many benefits, but they also pose a challenge for internal communication. It is important to be aware of cultural differences and to actively address them.

- Big egos have no place in a healthy start-up environment. Founders and CEOs need to start listening and allowing other people's ideas.

THESE ARE THE TECH DISRUPTORS WHO HAVE PARTICIPATED IN THIS PODCAST SERIES.

Click on the icon to listen to their interview.

Poppy Gustafsson
CEO and Co-Founder, Darktrace

Martina King
CEO, Featurespace

Arik Shtilman
CEO, Rapyd

Greg Jackson
CEO & Founder, Octopus Energy

Dr Tim Sievers
Member of the Board, Raisin DS

Avinash Rugoobur
Member of the Board, Arrival

Charles McManus
CEO, ClearBank

Adrien Nussenbaum
Co-CEO & Co-Founder, Mirakl

Mike Massaro
CEO, Flywire

Clay Wilkes
Former CEO, Galileo

Chen Amit
CEO & Co-Founder, Tipalti

Felix Van de Maele
CEO & Co-Founder, Collibra

Mario Ciabarra
CEO & Founder, Quantum Metric

Vijay Tella
CEO & Co-Founder, Workato

Pedro Bados
CEO & Co-Founder, Nexthink

Mariano Gomide de Faria
Co-CEO & Founder, VTEX

Zeb Evans
CEO & Founder, ClickUp

Mark Lee
CEO & Co-Founder, Splashtop

Kabir Shahani
Former CEO and Founder, Amperity

Job van der Voort
CEO & Co-Founder, Remote

Erez Galonska
CEO & Co-Founder, Infarm

Krish Subramanian
CEO & Co-Founder, Chargebee

Tom Livne
CEO & Founder, Verbit

Doug Winter
CEO & Co-Founder, Seismic

Robert Wahbe
CEO & Co-Founder, Highspot

Romain Moulin
CEO & Co-Founder, Exotec

Shane Happach
Former CEO, Mollie

Michael Gronager
CEO & Co-Founder, Chainalysis

Jeff Lunsford
CEO, Tealium

Joshua Motta
CEO & Co-Founder, Coalition

Larry Gadea
CEO & Founder, Envoy

Jason Zintak
CEO, 6Sense

Scott Voigt
CEO and Co-Founder, FullStory

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