To: Fund EEG
From: EEG
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Re: Complete

Thesis

The greatest asset of any tech company is its employees. In fact, the quality of the team often makes or breaks the success of a growth-stage firm. Despite this, the tech industry is plagued by the highest turnover rate of any sector – a staggering 13.2%. Furthermore, even with today's saturated job market, firms are struggling to acquire top talent. According to an IMF report, the shortage of tech talent will swell to more than 85 million workers by 2030, and companies are already feeling the pressure. Tech jobs are among the most difficult to fill, and replacing an employee can cost up to 250% of their income. More than ever, hiring and retaining top talent is paramount for technology companies.

Still, the hiring and post-offer process remains incredibly expensive for tech roles. For each open position, companies must advertise it through various channels, review resumes, and hold multiple interviews. Once offers are sent out, the roles reverse – companies must now convince their best candidates to join their team. Recruitment costs for a single position can be upwards of $10,000, including the cost of a vacant role and the time spent by the team to interview candidates. Each time a candidate turns down an offer, the whole process restarts, compounding costs. This cycle is especially detrimental to startups with limited resources and manpower.

Complete is an enterprise SaaS company that helps startups revolutionize their post-offer process. Their dynamic offer letter shows top candidates exactly what makes the company stand out, including a total rewards visualization and a personalized welcome from the team. Product offerings also include a transparent and effortless comp management platform with spreadsheet-less merit cycles and a centralized leveling and rewards portal. The product boasts integrations with 100+ applicant tracking and human resource information systems. With Complete, companies make compensation a winning advantage for their teams. I recommend Fund EEG lead Complete's series A round for the following reasons:

1. Invest into your teams.

For VCs, the power law dictates that only a small portion of investments in any given fund will drive the bulk of the returns. When it comes to hiring, the opposite is true: just one bad hire can drag the entire team down, especially for small companies. Complete allows companies to hire and retain the best talent. It promotes a culture of equity, transparency, and trust within an entire organization, from the executives to the employees to the candidates. Managers will see increased productivity, growth, and satisfaction within their teams, while employees will feel valued and inspired to stay with the company long-term. For company leaders, it's a no brainer – Complete is an investment into their team's future.

2. Increased attention to transparency.

Pay transparency is entering the spotlight. Several U.S. states such as California, New York, and Washington have passed laws requiring employers to disclose salary ranges in job postings. More broadly, there is a societal push for equity and inclusion. Wage gap issues have led to demands for fairness and accountability around compensation practices. Younger generations, the demographic most relevant to high-growth tech companies, feel more comfortable discussing salaries with coworkers and employers. Finally, the tight labor market mentioned earlier is also pressuring companies to disclose salary information to attract talent. These trends point to a growing awareness and demand for products such as Complete.

3. Integrations and ease of use.

A trend I have noticed for many recent SaaS startups is accessibility. How easy is the product to add to a company's existing stack? Can they have the software up and running by the afternoon? Complete is no different: their all-in-one platform and impressive integrations make it an extremely attractive product for high-growth companies. The company even won G2's “Easiest Setup” and “Fastest Implementation” awards in 2024, a testament to its ease-of-use and streamlined onboarding process. This translates to their streamlined post-offer process which “wows” potential candidates with a strong case to join the team.

Founding Story

Complete was founded in 2021 by Rani Mahram and Zack Field. Both are Berkeley grads with backgrounds in tech; Rani has worked on the product team at Google while Zack has been an engineer at Uber and Opendoor.

While at Google, Rani witnessed her team navigate various compensation-related challenges that came with rapid growth. She realized that if a company like Google was facing these issues, then the pain would be amplified for an early or growth-stage startup. Meanwhile, Zack saw his colleagues consistently ask him for help understanding their equity compensation when their employer went public. The two saw flaws with the overall compensation narratives of tech companies and co-founded Complete. Rani and Zack’s shared expertise in the niche subject of compensation along with their combined experiences in various tech roles make me confident in their founder-market fit.

A side note: Jacob Solano, chief of staff at Andrew’s Mixers, said during a fireside chat that “the best founders are the ones who can teach you something during their pitch”. When I spoke with Rani, I became inspired by her expertise and passion for the value of compensation coherency. I definitely learned something new about how compensation philosophies are created and why they’re so crucial to teams.

Product

Complete’s product offerings can be broken into four parts:

- A customized offer portal which provides candidates the full value of their compensation, from salary, equity, benefits, and bonuses to their career progression and team members. This allows them to understand the long-term value of joining the company and visualize their future with the team from the get-go. It streamlines and improves the post-offer process, allowing companies to recruit the best team possible.

- A spreadsheet-less platform for compensation merit cycles. Executives typically spend 3+ days and review 20+ spreadsheets during annual compensation merit cycles, or the process of determining compensation adjustments based on performance. Complete's software revolutionizes the merit cycle process, allowing anyone to have a front row seat in the decision-making without having to touch a single spreadsheet.
- A Total Rewards portal which provides each employee full visibility into how they are being compensated. Employees can directly engage with their compensation and ask questions to promote a better understanding. They can also educate themselves on their company's compensation philosophy, aligning themselves with company values and visualizing their long-term growth. Total Rewards promotes equity, trust, and motivation within teams.
- Visible tiers and jobs bands along with leveling frameworks. Frameworks allow leadership to build job levels and visualize their workforce. Complete ensures the entire organization has a shared understanding of levels, including the how and why. This visibility also carries over to the hiring stage, where recruiters can discuss potential candidates without confusion or misalignment.

Complete also integrates seamlessly with 100+ human resource and applicant tracking systems including Gusto, Workday, Square Payroll, and Greenhouse.

Market

Compensation is the number one spend for software companies, so getting it right is paramount. Many startups also face challenges with scaling compensation models as they experience rapid growth. Complete targets this market of high-growth software startups, providing the most value as they begin expanding and hiring more employees. Thus, Complete mainly targets startups with 50 to 250 employees who will benefit from a streamlined compensation process as they scale. However, due to its speedy onboarding process and benefit for existing teams, software companies with up to 750 employees will also reap value from the product.

Complete operates in the Software-as-a-Service (SaaS) market vertical, which is globally valued at 282 billion and projected to grow to 374.50 billion in 2028. The vertical exhibits a healthy CAGR of 7.33%. In terms of market trends, Complete thrives during both sides of the economic cycle. In 2024, trends point to a rise in spending by software companies as they strive to invest in new tools and technologies that will improve their efficiency. Therefore, the company is poised to excel during this period of high growth and a stronger economy. However, during the inevitable economic recession, Complete will also prove itself to be valuable for companies facing difficulties hiring and retaining employees.

Competition

- Pave

Pave is an end-to-end compensation management software which rivals Complete's offerings in merit cycles, total rewards, and comp bands. It is a series C startup with $163M raised and serves customers like Affirm, Sweetgreen, and Dropbox. Pave's edge is in its real-time salary and equity benchmarking which enables executives to make competitive and fair compensation decisions. While it provides a more comprehensive approach to comp planning and decision making, Complete boasts a better post-offer experience. Its dynamic offer letter stands as its own product, unlike Pave's which is offered as an add-on. Furthermore, Complete offers out-of-the-box pay strategies, ranges, and levels which guide startups through the why and how of pay. Thus, it is friendlier to early-stage companies without an established compensation philosophy or compensation manager.

- OpenComp

OpenComp is a compensation management solution with offerings very similar to both Pave and Complete. It is a series A startup with $24.7M raised to date. Like Pave, OpenComp's edge lies in their market data and AI-driven benchmarking which improve the workflow of determining pay models and strategy. OpenComp also comes with scenario modeling, burn & dilution insights, and headcount planning which may be unnecessary for companies with fewer employees. Companies who aren't big enough to require extensive comp planning will find more value in Complete's more affordable and accessible offerings. OpenComp also lacks in customizability, something that Complete and Pave both boast.

Overall, Complete's competitors have the advantage in larger market share, more comprehensive offerings, and data-driven benchmarking. Meanwhile, Complete has a better post-offer process and is friendlier to companies without an experienced compensation manager. I recommend Complete to capitalize off this strength and shift focus to the smaller startups with 10-100 employees. As their clients grow, they can scale their product offerings to accommodate exactly what they need. This will allow them to compete with the incumbents better while maximizing their traction and long-term customer value.

Business Model

Complete offers a subscription-based pricing model that scales with its clients. Customers can choose a package of offerings, including the dynamic offer letter, total rewards, and compensation planning. Like many similar enterprise SaaS models, Complete uses a custom pricing model that scales with their customers as they grow. Thus, the lifetime value of each customer actually increases exponentially year after year.

Currently, Complete has no sales team, and all growth has been organic. An effective strategy so far has been to promote the value of compensation management to the tech community. Complete provides free resources such as a compensation handbook and a philosophy building tool to educate leaders on how to set, communicate, measure, and scale compensation. This strategy has proven effective, as many of Complete's current customers actually turned to them as they were searching for ways to improve their compensation approach. I recommend Complete to focus more on this avenue of growth by reaching venture firms and accelerators. The hope is that firms such as YC will realize the importance of compensation and promote it (and Complete) to the startups they invest in. For Complete, the issue speaks for itself, and I believe organic, low-cost marketing will remain the most effective to attract customers in the future.

Traction

While Complete declines to release data on total customers, it has worked with impressive companies including Vercel, Beacons, and DataStax. While its customers are smaller than its competitors, Complete’s post-offer process has a much bigger impact. For a next-gen startup like Vercel, each employee matters so much more compared to a larger, more established firm. This impact is seen in the following case studies. One compliance software company testified that Complete’s dynamic offer letter led to a 70% decrease in post-offer closing time and a 20% increase in offer acceptance rate. A fintech startup boasted 10+ hours saved per hire along with a 50% decrease in time spent on internal workflows such as merit cycles and compensation planning. Overall, the company has revealed that it has provided analysis for several thousand salaries.

Valuation

Complete began its lifecycle with $500k funding as part of Y-Combinator’s Winter 2022 batch. In August of 2022, it raised a $4.00 million seed stage from Accel along with angel investors from Stripe and Calm. Using a counterfactual with their closest competitor, OpenComp, Complete’s post-money valuation is $5.62 million. This valuation is highly speculative, as Complete declines to release financial and customer traction data.

Key Risks

- Competition

Complete's biggest risk is competition. Each of their competitors is larger and offers very similar products. It may be difficult for any company to establish a healthy moat within the industry. However, I think Complete's biggest advantage over its competitors is its problem-driven philosophy. While Pave and OpenComp focus on developing the best comp planning software, Complete strives to build a world in which trust, transparency, and equity are the norm, not the exception. Therefore, they don't necessarily have to compete with these comp planning competitors. Instead, I urge Complete to focus more on perfecting the post-offer process for much smaller, earlier-stage startups.

- Security

Security is a growing concern across the enterprise SaaS vertical. Complete must be especially careful because it deals with sensitive salary data. A security breach could prove extremely costly and lead to legal liabilities and loss of trust. I recommend Complete to give more attention to security risks and make itself future-ready.

- Traction

Complete currently spends no money on marketing. While organic growth has been strong so far, the company will eventually have to start investing in marketing to gain customer traction. This presents an inherent risk. Of course, it is also an opportunity for Complete to rapidly gain share of new markets.

Exit Scenario

1. IPO

An IPO is difficult but attainable. In my mind, the most promising way Complete can achieve an IPO is to pivot from comp planning for mid-sized startups to post-offer for small startups. Complete will be able to capture a leading market position as well as become profitable.

2. Acquisition

An acquisition is likely. Possible candidates include Oracle and Workday. An acquisition is still a successful exit because becoming integrated in a larger applicant/HR software will further Complete's mission of building the equitable world of the future.