Nakul Mandan on IO

Nakul Mandan, Audacious Ventures on the IO Podcast w Tyler Hogge and Sterling Snow

22nd April 2025
https://www.youtube.com/watch?v=371_2fWzekE

Sajith: Good episode with specific actionable input on how to run a high quality hiring process by Nakul Mandan of Audacious which gives talent a seat at the high table. He says: recognise that if you are after a great candidate, there will be a lot of competition for them - you have to be continuously selling your co, and inspiring them emotionally, not just logically. There should be high clarity on the job role (use the Mission - Outcome - Competencies framework). Make sure you have a decent pipeline (at least 10 good candidates says Nakul), and have a sharp intentional vetting process. Finally remember to close with urgency, and never given an offer on a friday.

The four constraints that block non-linear revenue growth

Nakul: Even when I would get on calls, I would ask a lot of questions, right? That are very tactical and operational. And that was the start of my getting into go-to-market is like if a business would be a $5 million and they are planning to go from five to 10, five to 12, I try to understand what can make it go faster, right? What would, like what can we, what can, and so it would come back often, okay, I don't have enough sales reps. And why? Because the sales reps have quotas. So that means quota capacity. And so I would just become a student of, I'd become a student of that game in those calls,

I broke it down into what the operational constraints are. I got it down to four:

- Pipeline / market awareness. If the customer is not aware of you, how will they buy?
- Second is sales capacity. So they are aware of you, but you need salespeople to sell to them. So you need enough salespeople to go from one to 100. 100 sales reps of $1 million of quota each.
- Third is Onboarding.If there's customer success and stuff like that.
- Fourth is the capital and effort (time or operational constraint) needed to hire and onboard 100 sales reps and stuff. And then there's maybe a fifth one, which is recruiting 100 people in one year is extremely tough, right? So you need that. But again, that is a capital constraint and operational constraint. The more macro one is how do you scale culture in one year going from 10 people to 100 people, let's say, or something like that.

The five mistakes that founders make when recruiting

Mistake #1: the founder that doesn't internalize the difference between good and great

Nakul: That amazing person that you want to recruit is the kind of person who on the day they resign, will get a counter offer from their boss. On the day they tell their friends and mentors and call up, hey, I have this offer. That mentor who's at another company will be, oh, I didn't know you would be open. How about we work together? That also is the person who often in Silicon Valley has an offer from, knows that they can raise a $5 million seed round quickly. Yeah, go start a company. Okay. So they have many options. And they know it. And so closing starts, first of all, right from the first meeting.

So we tell our founders that if you like somebody, then every meeting is a buy and sell meeting. Of course, you want to interview them. But if they leave that meeting only having been interviewed and you like them more than they liked you at the end of it, then that was an opportunity that was missed. Because what will happen is you'll keep interviewing, you'll be in buy mode throughout. And by the time you're ready to sell more, it feels too early for them because they've not been sold on the opportunity. So one is just approaching the game as only buying. Okay. When it could be buy and sell throughout.

Next, has this person been sold on the larger than life story of this company? Why is this company one of the most important companies of the next decade potentially? Why should this amazing person bring their talent to this company? Why should this person spend time with you? That's all emotional. So, you know, the most ambitious people want to work on great things, right? And so you have to kind of internalize that. So it's not just the pricing or the offer. Of course, the offer needs to matter. And I think, yeah, ultimately there is an element of the offer needs to match the talent.

And personally, I think this is too aggressive for our own founders sometimes. But like my belief is that if I'm getting the 99th percentile talent, if I'm paying 90th percentile comp, I'm getting a deal. Yep. Personally, that's how I feel. But if you start a conversation with the founder whom you're advising and you think this advice is saying overpay. No, I'm actually saying that be determined to find that absolute top.

We have this debate a lot. Who's the most underpaid player in the NBA? It's LeBron James. And he's also the highest paid player. One of the highest paid. It's the great ones are truly bargains.

Mistake #2: Lack of clarity on role and job spec

Nakul: What are the mistakes people make there? So I think this is even more so in go-to-market roles, but I think it can exist anywhere, right? So a generic way of doing, like if you look at job descriptions, they're so generic in nature. And often the lazy way of recruiting is, hey, telling my recruiter, like I'm looking for a marketer, just send me the good ones. Well, they have no idea what to look for. Like, so you want to be very specific.

Mission - Outcome - Competencies

I'm a big, you know, fan of this book called Who, which actually talks about recruiting. And the book's summary is that people think what is the problem? They talk about the strategy and everything. Often the problem is who? Who are you hiring? But the who problem actually then goes deeper into people don't know what they're looking for. And so the books suggests recruiters follow this framework called mission outcomes competencies.

As an example, what is the mission of this role? What are the outcomes this person would have driven if they were successful in this roles? And what are the competencies they need for those outcomes to possibly happen, right?

If you go into that level of detail, you will come out feeling, okay, I'm not looking for a marketer. I'm looking to solve a demand gen problem. Okay, or I'm looking to solve a messaging product marketing problem or a brand marketing problem.

Well, those are three different problems, right? And so what is the actual problem? Are you looking for more leads? Or are you finding that leads are there? But we have a middle and bottom of the funnel problem. So our messaging is not landing or maybe the product itself is not landing. So you need to identify the problem you're solving and then interview based on will this person be able to solve this problem? So that's more specific, right?

Even on sales again, like, do you have a sales, like, do you have a bottom of the funnel problem, a middle of the funnel problem or a pipe generation problem? Do you have a sales rep hiring problem? Does that go against, you know, kind of the conventional wisdom of, hey, if you find an A player, just put them on the bus.

Mistake #3: A weak pipeline

Nakul: Once you know exactly what you're looking for, have you set up the pipeline? Are you putting in enough effort to meet enough high quality candidates? How many is enough? I'm thinking a little bit so that I answered properly. I think 10 great candidates would be enough, but to get to 10 great candidates, you need to meet a lot of candidates actually.

Yeah, 10 great, truly great candidates. 10 truly great is actually kind of impossible in any search, to be honest. There might be 10 in the whole industry. 10 good to great would be a solid search. Most searches, believe it or not, end up with one finalist. I always kind of try to push even our talent team that, hey, I hope that we end up with two finalists.

But it's actually difficult to end up, because again, the great person is there. So I would rephrase my 10 good to great people. If you ran into that, you had a phenomenal search. But to get to that, you need to meet a lot. And to meet a lot, you need to set up the pipelines on day one.

I think the best founders we work with are relentless at sourcing through the network. 100%. Relentless. In fact, I would say it is a yellow flag. It might be even a red flag if they are not relentlessly sourcing through their networks and their extended networks. Because then it means they want the easy way out of somebody else doing the job. That's right. You can't outsource the most important thing, which is recruiting.

So engineers, they respond to founders much more. Sales reps can respond. Sales reps are pretty social. So again, it depends on the persona, the role and everything and the stage of the company. For the first seven engineers, let's say, I would say our best founders, our experience is that our best founders already on the day they are starting know the first three engineers they want to hire. So even for Audacious, where we are running these things, we have a full machinery built here. We feel our best founders find the first three engineers themselves.

Around the fourth engineer, they start feeling, should I hire the fourth best engineer I know, or should I tap into the larger network? And that's where we step in. But regardless, I'd say for any founder running any search, especially on engineering, I think the first two funnels should be, first funnel absolutely should be their extended network. Second, be Audacious if you have us in your cap table.

Mistake #4: A generic vetting process

Nakul: This is an extension of not knowing what you're looking for in the first place, which is generic vetting processes, meaning you go into the interview and you come out saying to your colleague, hey, you should meet this person. Good guy, good gal, right? Something like that. And then people ask why and you give generic answers. And the next interview is basically the same interview again because there were not enough notes passed on it. And the right way to do it would be to say, okay, this is the problem we are solving for. So accordingly, this is what we need to vet in this person. And I dug in on these three questions that would matter to this role.

Mistake #5: Not closing with urgency

Nakul: Once you are ready to make the offer, that last 72 hours is key. That's when they are. So I'll give you a tactical example. So if I like a candidate, even when we are recruiting at Audacious and I will never let a Friday happen where they're going into the weekend, they don't know where they exactly stand. Why? Because weekends is the time when a candidate is talking to their mentors, their plus ones, whoever matters to them in their decision. Or they're just mulling it over, right? So if you're letting the weekend happen when some other offer is on their mind or something else, then you're wasting that time. And whoever wins the weekend, if you're especially trying to close in closing mode, you should just be all over that weekend. The more time they're spending on you, the less time they're spending on something else. Now that's a competitive, let's say it's a competitive situation.

Then what you do is you get three of your own supporters, text the person, right? And respectfully text the person and keep the excitement high. So you don't take two. But if it's a competitive offer and there are three offers, whoever wins that time, no matter what the candidate says, whoever wins the mind share, whoever wins the weekend, wins the candidate.