

“THE TALENT TOLL” – Vancouver’s Start-Up Dilemma

Recruitment. For any start-up it’s mission critical. You need a team that can execute, and one that investors are willing to finance. But recruitment isn’t easy. In fact, it’s pretty painful. There are the cash costs to research, source, and acquire top talent; and the time costs to vet, interview, and negotiate a final agreement. All this while you’re running operations, raising funds, and acquiring a consistent customer base. And now for the elephant in the room – You’re trying to recruit in Vancouver!

VANCOUVER’S HARSH REALITY – She’s Got Pretty Mountains; Not Mountains of Talent...

Let’s not mince words. Vancouver has never been a hot bed for senior executive talent at the best of times, even within her more mature corporate community. This isn’t breaking news. But now it’s getting progressively worse with the rampant rise of living costs. Vancouver salaries are sub-standard relative to similar North American markets. And while her “lifestyle offerings” are regularly trumpeted as top-of-class, affordability is at an all time low. Recruitment officers for even large-scale, long-standing corporate entities know full well that enticing veteran talent to either stay in Vancouver, or relocate, is becoming a real struggle when their living wages might barely afford them a modest detached property in the outskirts of town. In other Canadian markets, and certainly in the United States, those same individuals could secure a comparable role at a like organization with the kind of relative buying power that could afford them a house, cottage, second car and/or recreational craft, and possibly private school for the kids.

COMPETING WITH CORPORATE VANCOUVER

So now let’s consider a fledgling Vancouver start-up that’s looking to recruit senior talent across some key functions: Business Development, Finance and Operations. If mature Vancouver companies with deep pockets can’t afford (or are unwilling) to recruit top talent in town, how does a start-up with limited finances, and heavily reduced start-up salaries, expect to compete for team leaders from the same talent pool. Equity positions can cover some of the differential. But any experienced, strategically minded executive – someone of the age who more than likely has a family – will need a minimum \$100,000-\$150,000 to survive in Vancouver; and the lower end of that scale assumes their household income is subsidized by a second salary. Here are just a sample of articles that speak to this fundamental challenge facing Vancouver start-ups:

<https://www.theglobeandmail.com/technology/vancouver-tech-scene/article25885653/>

<http://edmontonjournal.com/news/local-news/recruiters-from-b-c-look-to-alberta-but-hiring-here-comes-with-challenges>

GO YOUNG? GO CHEAP? You Just Try That...

“Nonsense,” you say? “We’ll recruit younger talent at a lower base, and motivate them with a higher commission / equity scheme.” Absolute worse decision you could make. You won’t get the expertise you need. You’ll be spending your time coaching when you’re the one who needs strategic insight. You’ll eventually dismiss some of your early-stage recruits. And 6 months later, your book of business will still be floundering. But even if you did take this route, don’t necessarily think that Vancouver is over-ridden with highly creative, strategically-minded, driven “young guns.” The city is facing an equally significant drain of young talent as well, as made abundantly clear during a CBC-sponsored, UBC alumni panel session in the Spring, 2016. An informal survey during the event determined that, out of the 300 (approx.) recent graduates/soon-to-graduate UBC students in attendance, 75% were considering a move away from Vancouver within the following 12 months. Their reasons? The lack of employment opportunities that allowed for an attainable standard of living. And they were speaking about corporate Vancouver. Not the start-up community with all of its financial limitations.

<https://www.alumni.ubc.ca/event/vancouver-should-i-stay-or-should-i-go/>

SO HOW DO I GROW MY BUSINESS IF I CAN’T EASILY RECRUIT TOP TALENT?

Outsourcing certain aspects of your early-stage operation to a closely integrated team of hands-on, part-time contractors, who have past experience, proven expertise, and are compensated to deliver results, can help guarantee you reduce unnecessary burn, mitigate risk, improve performance, and accelerate outcomes. To learn more, check out “**3 Benefits to Outsourcing Your Early-Stage Biz Dev**” at www.canadastartup.com.

Contact: info@canadastartup.com.

1-800-611-8081