

Selecting Well Drives Cofounder Satisfaction

Audra Quinn, University of Western Ontario, Canada

Imagine you have the next big entrepreneurial idea. It's going to change the world, net you trillions of dollars, and you're ready to take the leap. But you realize you really can't do this alone. You need a cofounder – the Woz to your Jobs. So, how do you choose the right person for this role? What are the criteria you'd look for in what is essentially your bedfellow in business?

Research shows whom you choose is highly consequential for the venture. The founding team's [human capital factors](#) (past experience, education, and skills) and [social interaction](#) profoundly impact the venture's chances of success, and [cofounder blowups are a common reason for startup failure](#). It's no wonder Y-Combinator President Sam Altman [describes choosing a cofounder](#) as “one of the most important decisions you'll make in the life of your startup.”

The puzzle here is that having a cofounder is important – [high-growth ventures are usually team-based](#), and [professional investors have a strong preference for teams](#). But choosing the wrong cofounder could be more detrimental than not having one, and it's no easy task to find the perfect fit.

To help entrepreneurs navigate this decision, we conducted interviews with successful cofounders to learn what they looked for when they decided to take the leap with this person. From this, we found that the criteria fell into six key dimensions of cofounder fit, representing the personal, venture, and professional criteria that cofounders may weigh:

- **Skills fit** – The knowledge, skills, and abilities necessary to launch the venture (and not-easily-outsourced); trust in their competence.
- **Personal fit** – An enjoyment of spending time with them, shared personal trust and values.
- **Work compatibility** – An ability to disagree respectfully and communicate effectively; compatible work style and ethic.
- **Venture commitment** – An acceptable level of commitment to the venture and passion for the idea; alignment on the venture goals.
- **Resources** – Financial contributions to the venture, a strong network of connections, legitimacy, and/or a high level of education.
- **Familiarity** – The comfort, speed or convenience of a known entity.

We then surveyed a larger sample of entrepreneurs with cofounders to learn which criteria they prioritized when they decided, and how satisfied they were with their cofounder. With this, we analyzed which combinations of criteria were associated with high satisfaction. Turns out, it was rare that a cofounder was a “perfect fit” on every dimension, and there was no single dimension that was always present among highly satisfied cofounders. There were, however, a few core “recipes” that consistently yielded high satisfaction:

1. **A friend in the trenches** – Prioritizing a high-familiarity cofounder without consideration of resources. This approach may represent a sweat-equity approach with a close friend or relative, and aligns with research that shows that [people tend to cofound with strong-ties](#).
2. **I just like them** – Prioritizing personal fit without consideration of resources. This is betting on the personal relationship to carry you through.
3. **All about the skills** – Focusing on skills, with no consideration of resources or venture commitment. This may represent recruiting for an important skills gap.
4. **Professional partner** – A combination of skills and work compatibility, with no prioritization of familiarity. These were cases of looking for a highly qualified collaborator.

So, what does this mean for you? It seems there are several roads to satisfaction, but interestingly, prioritizing financial contributions, education, and network connections was never one of them! While these factors are predictors of performance, it was rare for entrepreneurs to prioritize them when selecting cofounders, and those who did had lower satisfaction. Thus, a strong resume or financial contributions does not equate a quality cofounder relationship.

Also, it was interesting to see that personal and skills fit never existed together, indicating they may represent tradeoffs. Does this mean that you can’t have both? Not necessarily, but as an early-stage, untested venture, results show it’s not common. So, it’s best to determine your must-have fit dimensions, then do your best to de-risk the tradeoffs. For instance, if you prioritize skills, be sure to test whether you’ll get along when the heat turns up (build a piece of IKEA furniture together?) If the personal fit is most important to you, consider having a third party assist in creating a formal contract and facilitating those uncomfortable conversations around the professional expectations. Happy hunting!

CONTACT: Audra Quinn; aquinn.phd@ivey.ca; (T): 248.321.5158; University of Western Ontario, Ivey Business School; 1255 Western Rd, London, ON N6G 0N1.