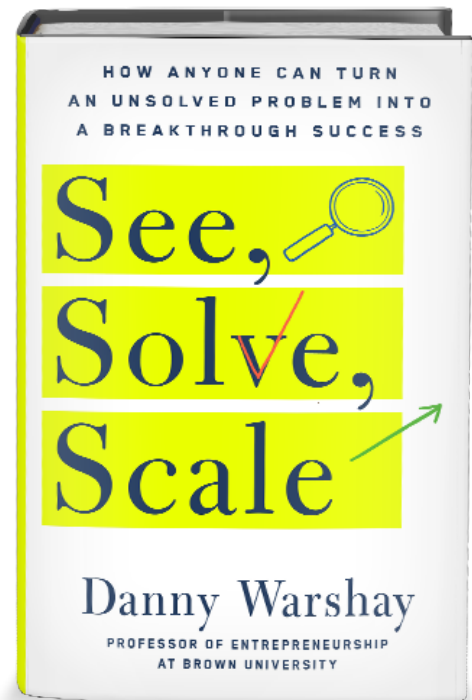


Why diversity and inclusion are essential when building an entrepreneurship team.

In Chapter 7 of "[See, Solve, Scale](#)," Danny Warshay emphasizes the critical importance of growing a diverse and inclusive team. Here are a few highlights:

Teams whose members come from different backgrounds, contribute different skills, embrace different points of view, and draw on these differences develop breakthrough solutions. Alas, entrepreneurs tend not to form diverse teams. In fact, that is one of those unconscious biases that we need to become conscious of and overcome. To help you avoid making that same mistake, I will share strategies for how you can push through what seems to be a common resistance to doing so. I will also share characteristics of what I call the Team Composition Sweet Spot, the ideal composition of a successful entrepreneurship team. In the twenty-first century this ideal composition includes a balance of both human and digital resources. And finally, I will help you see that benefiting from the addition of new team members requires more than checking a diversity box. It requires looking beyond what all members have in common to leveraging the full extent of what every member brings to the team.



Diverse Personality Types and Working Styles

There is no one personality type that tends to succeed in entrepreneurship. Not left-brain dominant or right-brain dominant. Not creative or analytical. Not any one Myers–Briggs personality type. That includes what for many is a surprise and for some a relief: there is no evidence that extroverts tend to succeed in entrepreneurship more than introverts. I emphasize this because the myth that there is such a personality type blocks many would-be entrepreneurs. I love seeing the relief on the faces of many of my introverted students when I hand them a copy of Susan Cain's "Quiet: The Power of Introverts in a World That Can't Stop Talking." I also love sharing her conclusion that their preferred style of working through problems alone often helps introverts to contribute more to the overall creative objective of their team than if they forced themselves to adopt the approaches that extroverts prefer. Although entrepreneurship tends to be a team sport, the most successful startups create space for different work styles, and that includes alone, apart from the rest of the team.

Cain refers to the research of psychologist Anders Ericsson who has studied how elite performers acquired their expertise. Describing what he calls "deliberate practice," Ericsson concludes that the key is not how much time they devote to developing and honing their skills but the fact that they do so in solitude. As Cain writes, "Deliberate practice is best conducted alone for several reasons. It takes intense concentration, and other people can be distracting." Citing a range of elite performers including Charles Darwin, Steve Wozniak, and Madeleine L'Engle (author of "A Wrinkle in Time"), Cain

explains how all of them benefited from their ability to work in solitude. Again, that often surprises many aspiring entrepreneurs who think that if successful solutions come from teams, all of the “in the trenches” work within the team needs to be done as a group. If you’re an extrovert, I hope it will expand your range of who you’d consider a valuable recruit to your team. And if you are an introvert, I hope this insight will raise your level of entrepreneurial confidence and encourage you to diversify your team by including extroverts.

Homogenous Teams Are Also Less Stable

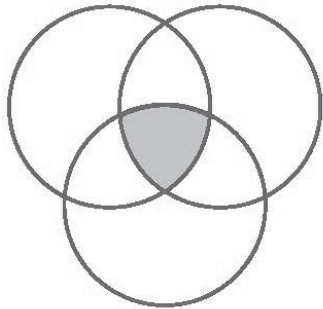
Beyond family and friends, “people of the same gender or race and people of similar geographic origins, educational backgrounds, and functional experience are disproportionately likely to found companies together.” Part of that is a reflection of general societal tendencies. The idea that birds of a feather flock together is true. We tend to socialize, for example, and interact with others who look, pray, eat, and behave like ourselves. It is faster to form a team from a pool of potential cofounders whom we already know. It should not surprise us, therefore, that founding venture teams, without any special effort to do otherwise, tend to be homogeneous and do not benefit from the diversity we discuss above.

At the same time, we need to acknowledge that part of this tendency is a reflection of conscious sexism and racism. And an important and insidious part is that, even if it is a result of unconscious bias, this “cycle of sameness” is part of what contributes to the deplorably low numbers of women and people of color in startups. As a white American male, I am certain that I have benefited from privilege throughout my career. I am, therefore, not qualified to speak for the women and people of color whom these tendencies have disadvantaged. I also don’t want the subtitle of this book (“How Anyone Can Turn an Unsolved Problem into a Breakthrough Success”) to sound like it ignores the persistent barriers that women and people of color continue to face. From my teaching around the world, I know that this statement is true. Anyone can in the sense that anyone can learn “See, Solve, Scale.” The field on which entrepreneurs from different backgrounds seek to apply it, however, is not level. For this part of step 3 (Scale), I hope it is not naive of me to think that sharing the proven disadvantages of teams that lack diversity will make at least some founders more conscious of their bias and will motivate some of us to form more diverse teams. This is one diversity factor that as venture founders we have the power to control.

Diversity Without Inclusion Will Backfire

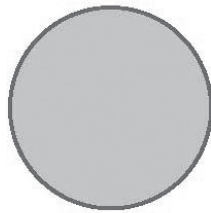
It may surprise you to hear that if diverse teams do not draw on, leverage, or celebrate the differences of their team members, they perform worse, not better than homogeneous teams. As Frances Frei and Anne Morriss point out in “Begin With Trust,” “diverse teams, by definition, have less common information readily available to them to use in collective decision-making.” That is why we hear a lot these days about one of diversity’s counterparts—inclusion. The key to your team benefiting from its diversity is to make sure that you establish a dynamic of trust in which all team members feel comfortable sharing the full extent of their authentic experience and point of view.

This simple graphic from Frei and Morriss depicts the limitations of homogenous teams and the great promise (and potential pitfalls) of diverse teams, depending on whether they are inclusive. If the diverse team depicted on the left draws on only the knowledge and skills where the three members overlap in the middle, that team will benefit less from that shared knowledge than even the homogeneous team in the middle where the knowledge and skills overlap of its members is greater. Inclusive teams like the one depicted on the right draw on the knowledge and skills that its diverse members bring to the table.



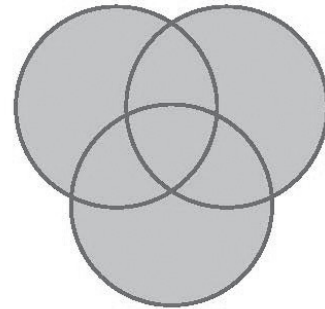
Diverse teams

A diverse store of knowledge is partly shared.



Homogenous teams

A common store of knowledge is fully shared.



Inclusive teams

A diverse store of knowledge is fully shared.

From: "Begin with Trust," by Frances Frei and Anne Morriss, May-June 2020



See, Solve, Scale

by Danny Warshay

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