

2019 Sustainable Industrial Processing Summit & Exhibition

McNeil International Symposium on Laws and their Applications for Sustainable Development

Employment Issues for Start-Ups in the Era of Sustainability

Presented by

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Overview

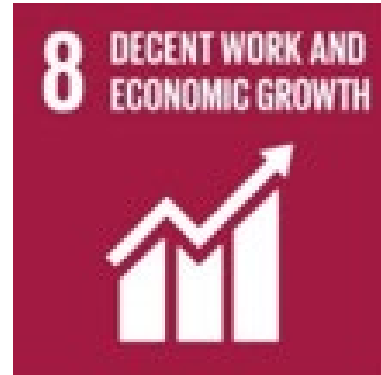
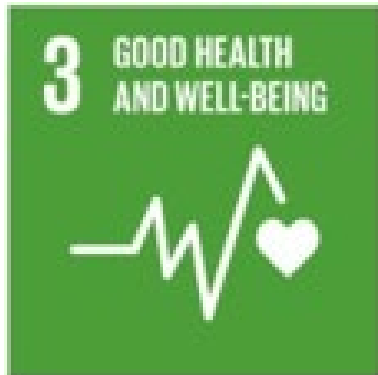
- Introductory thoughts
 - UN sustainable development goals
- Lifecycle of start-ups, challenges and solutions
- Closing

UN Sustainable Development Goals



Two Types of Sustainability Goals

Sustainability goals that businesses strive for in particular:



...Two Types of Sustainability Goals

Goals that we all want to achieve, generally:



What Are You Creating?

Your Corporate governance documents can set the tone for your growth

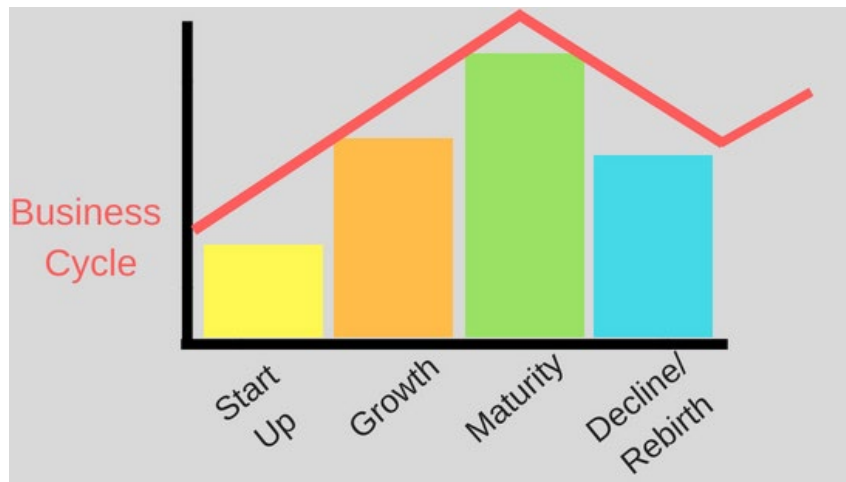
What kind of business are you forming? Varies by jurisdiction

- General Partnership? LP? LLP? LLLP? LLC? C-Corp? S-Corp? GmbH? P.L.C.?

A recent trend has been to form companies with a social purpose which are bound to advance causes in addition to just making money for shareholders

- In the US, these are known as B-Corps (Benefit Corporations), and have been proliferating through individual states – most notably California

Lifecycle of Start-Ups

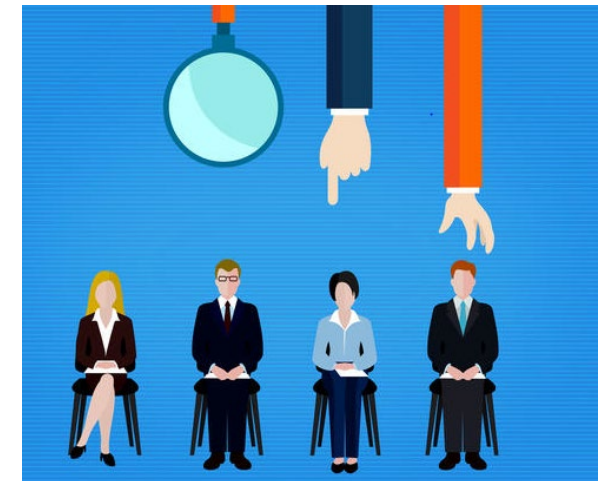


- General framework – regional overview of the general approach to start-ups
- Attracting talents
- Remuneration models
- Flexible working models (time, place and space)
- Retaining talents
- Protecting the business (IPR, restrictive covenants and similar)

Hiring of Executives and Board Members

In the context of sustainability awareness: A few questions

- How to select 21st century executives?
- What do Millennials want and need in a workplace?
- Incorporate sustainability practices in:
 - Hiring process?
 - Disciplinary process?
 - Marketing and promotion practices?



Who Will You Hire?

What is your corporate culture today?

- How do you envision your corporate culture **5 years** from now? And **10 years**?

How would you like to shape your image and your brand?

- Goal to attract professionals who are looking for meaningful work?



How Will You Pay Them?

Equity incentive plans

- **Pros:** Attracts top talent, motivate them to work hard
- **Cons:** Loss of control of business, can dilute ownership shares
- **Key Considerations:**
 - Giving away too much equity too early will limit a business's options
 - Makes the business less attractive to angel investors/venture capitalists
 - Cannot attract other talent later on

Benefits

- Healthcare, savings plans, lunches, coffee machines, happy hours?
- Do you prefer a higher salary in a more hostile work environment, or a lower salary in a more friendly company?

Employee Handbooks



*These are vital
and important*

- Slight changes in wording can create large issues down the line
- Delineate Tasks, duties, responsibilities
- If the start up contains with new technology and trade secrets – crucial to include confidentiality and security provisions in handbook

Example: Netflix Culture Excerpt

Netflix Culture

Entertainment, like friendship, is a fundamental human need; it changes how we feel and gives us common ground. Netflix is better entertainment at lower cost and greater scale than the world has ever seen. We want to entertain everyone, and make the world smile.

This document is about our unusual employee culture.

Like all great companies, we strive to hire the best and we value integrity, excellence, respect, inclusivity, and collaboration. What is special about Netflix, though, is how much we:

1. **encourage independent decision-making by employees**
2. **share information openly, broadly, and deliberately**
3. **are extraordinarily candid with each other**
4. **keep only our highly effective people**
5. **avoid rules**

Our core philosophy is **people over process**. More specifically, we have great people working together as a **dream team**. With this approach, we are a more flexible, fun, stimulating, creative, collaborative and successful organization.

Real Values

Many companies have value statements, but often these written values are vague and ignored. The real values of a firm are shown by who gets rewarded or let go. Below are our real values, the specific behaviors and skills we care about most. The more these values sound like you, and describe people you want to work with, the more likely you will thrive at Netflix.

Judgment

- You make wise decisions despite ambiguity
- You identify root causes, and get beyond treating symptoms
- You think strategically, and can articulate what you are, and are not, trying to do
- You are good at using data to inform your intuition
- You make decisions based on the long term, not near term

Communication

- You are concise and articulate in speech and writing
- You listen well and seek to understand before reacting
- You maintain calm poise in stressful situations to draw out the clearest thinking
- You adapt your communication style to work well with people from around the world who may not share your native language
- You provide candid, helpful, timely feedback to colleagues

Curiosity

- You learn rapidly and eagerly
- You contribute effectively outside of your specialty
- You make connections that others miss
- You seek to understand our members around the world, and how we entertain them
- You seek alternate perspectives

Courage

- You say what you think, when it's in the best interest of Netflix, even if it is uncomfortable
- You make tough decisions without agonizing
- You take smart risks and are open to possible failure
- You question actions inconsistent with our values
- You are able to be vulnerable, in search of truth

Passion

- You inspire others with your thirst for excellence
- You care intensely about our members and Netflix's success
- You are tenacious and optimistic
- You are quietly confident and openly humble

Selflessness

- You seek what is best for Netflix, rather than what is best for yourself or your group
- You are open-minded in search of great ideas
- You make time to help colleagues
- You share information openly and proactively

...Employee Handbooks



Include typical provisions

- What else do you want to have listed?

Considerations to include:

- Do you wish to establish corporate culture in your handbook?
- See Netflix Example

Questions?

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