STAR BUSINESS CLUB

> THIS WEEK'S CASE STUDY

Google Apps training firm battles for talent

Startup struggles to add skilled staff in ultra-competitive space

RYAN STARR
SPECIAL TO THE STAR

Toronto startup Synergyse has proven itself a valuable ally for Google, and it's not even a year old yet.

The company, which launched in April 2013, created an online training system for Google Apps that's helping lure businesses and schools away from Microsoft Office for their computing needs.

Synergyse has already sold its web-based software (which costs $10 per employee per year) to more than 1,000 businesses and schools worldwide, including major Canadian and U.S. commercial real estate firm Cadillac Fairview, Dublin City University and the Oakland school district.

"We're seeing demand and referrals increase every month," says Varun Malhotra, a Synergyse co-founder.

The firm projects first-year revenues of more than $1 million.

Despite early success, Malhotra notes his company is struggling to find top-notch software engineers to take it to the next level. "It's been hard finding the people who meet the qualifications and are the right fit with our culture," he says.

Malhotra founded Synergyse with Majid Manzarpour, a former Google IT engineer. They subsequently hired a second Google engineer.

NICK KOZAK FOR THE TORONTO STAR
Synergyse co-founders Varun Malhotra and Majid Manzarpour worry their start-up's impressive growth will falter if they don't find talented engineers, soon.

The firm currently has 13 employees, some part-time, some full-time, all working remotely. But Synergyse needs additional talent to advance the development of its innovative training solution.

Synergyse is an interactive tool that works inside the Google Apps interface on the Chrome browser. Users click on the Synergyse training menu and select a lesson. The lesson — using visual, audio and tech cues — guides users step by step through the various features of apps like Gmail, Calendar, Sheets, Docs and Drive.

"Before if you wanted to learn how to do something you would have to go to a separate portal and look at a video or forum-style FAQ, and then come back to the application," Malhotra explains.

With Synergyse, training takes place inside the application. "We tried to mimic having an IT person next to you showing you how to use Google Apps."

Google, recognizing Synergyse's value in helping customers switch to its suite of productivity apps (Google Apps for Business costs $50 per person per year), has been instrumental in helping the firm establish credibility.

"They love the product and have been advocating for it," says Malhotra. "They helped us get in touch with Google Apps resellers and get them on board with selling Synergyse."

Still, attracting tech talent hasn't been as easy.

Synergyse currently has four software engineers and hopes to hire three more by year's end. It's a tall order in the ultra-competitive tech sector, where experienced software engineers are in high demand.

"With the growth within technology and cloud services, you have a lot of people with a lot of ideas trying to get software engineers," Malhotra notes.

"It's a bigger challenge for Canadian businesses versus U.S. businesses," he adds. "There are a lot more people in places like San Francisco who have the software engineering skill set than here."

Even with Google's backing, it has been tough for the Canadian startup to convince candidates the firm's worth taking a chance on. "A lot of great talent tends to go work at Fortune 500 companies, not newer companies," says Malhotra. "Or if they're entrepreneurial they're working on their own projects."

To attract talent, Synergyse must identify the organization's brand and value proposition for prospective employees, notes Neale Harrison, CEO of Talent Matters Inc., an HR consulting firm. "What is their organizational culture? What do they stand for? And what are they trying to achieve?"

More employees these days are working as free agents, particularly in the tech sector, Harrison notes. They want to get something meaningful out of the employment relationship in return for their skills. As an unproven startup, Synergyse needs to clearly emphasize the benefits of joining its team, "like bonus and incentives for meeting performance targets," Harrison says.

"This is the basic stuff that needs to be in place to build confidence around talent," he adds. "They have to have faith that the business is viable and believe there's something there of value to them."

Finding the right staff is taking more time than Malhotra had anticipated. "We're finding it can take three or four months to get the right person on board," he says.

He fears that if Synergyse can't secure talented software engineers soon, the firm could risk thwarting its early momentum. "We're seeing a lot of growth right now, so we need to hire quickly and hire a lot of people."

"If we can't get the right people and can't get them in time, we won't be able to grow the business and achieve our aggressive growth and development plans the way we'd like," he says.

"It's a big challenge that's top of mind for us."

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INTERVIEWS BY ROSEMARY WESTWOOD

Synergyse needs to prove what's in it for employees

DR. SEAN WISE, PhD
PROFESSOR OF ENTREPRENEURSHIP AND STRATEGY
TRSM at Ryerson University

I disagree with the fact that this is a bigger issue in Canada than the U.S. I recently heard of a Google engineer turning down $500,000 in salary to stay where he is. Computer software engineers are the rockstars of the entrepreneurial world. To win that talent today you have to show future employees three things: 1) total compensation, including stock options and other upside motivators; 2) a culture that is good to work in; and 3) investment in personal growth. Synergyse should focus on showing the candidate how their career will be better in the short and long term, how their work will positively impact the world, and how they will have a chance to grow in their skills and role over time. There are other options, too. They could import talent, by leveraging Canada's unique startup visa program. They could buy talent by acquiring another startup in a similar space, like Flowpress, which does IT tutorials for Wordpress. Or, they could look to build talent: take students fresh from school and shape them into the employees they need.

DR. BRYNN WINEGARD
MARKETING EXPERT AND PRINCIPAL
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Synergyse has a great value proposition, a valuable ally, and growth potential. Their challenge in finding and attracting talented engineers is especially tough in the tech sector given the entrepreneurial nature of this category, and especially in Canada. Synergyse will have to think about what they offer talent (engineers for now) that they can't find elsewhere: If it isn't dollars, is it work flexibility, ownership, profit-sharing, rights to intellectual property developed? Once this has been decided, the messaging will be critical — getting this message out there and having potential talent believe it will be the first important marketing initiative Synergyse does. Once some key engineers have been secured, a "snowball" staffing approach could work — getting those engineers to bring in their friends and former colleagues will help ramp up quality human resources quickly. Ultimately the organizational culture that pervades will be a co-creation between Synergyse and its staff, so choosing from talent networks carefully will be key through this hiring process.

GEORGE SPEZZA
DIRECTOR
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In the high tech industry companies are seeking very specific skill sets in software development engineers. Synergyse needs to establish what sets it apart in this competitive market as a company, through incentive plans, working environment, compensation and benefits to attract the best and brightest. The company relationship with Google will catch attention. Promoting a flexible, creative and innovative workplace is essential to show what's in it for potential employees, compared to working for other companies. Toronto has several recruiting firms that specialize in the high tech industry and can assist Synergyse in developing a recruiting strategy. They can also tap into academia and reach talented graduates from highly acclaimed programs at Toronto universities and colleges by attending job fairs. Offering a hiring incentive to employees who reach into their networks and recruit talent to the company is another tool to tap into the labour pool. After all, finding the right talent is critical in securing market share and being competitive in this industry.

January 28, 2014