Conversation Arc 2: Risk, Control, and Sacrifice

Founder Alignment Conversation User Guide

Objective

Explore assumptions about risk, responsibility and collaboration. Arc 2 helps identify how individuals relate to the realities that shape whether entrepreneurship is sustainable for them at this point in their career.

Core prompts:

“What kinds of risk are you comfortable taking right now?”

“How do you feel about working on something for years with no guaranteed outcome?”

“If you were to pursue it, who do you imagine doing this with?”

“Are there collaborators whose involvement feels essential rather than optional?”

“How would you feel if someone else ultimately ran a company based on your work?”

“If more than one person would need to be involved for this to succeed, are their goals, risk tolerances, and timelines aligned enough to pursue the same path?”

Deepening questions:

“What are you not willing to sacrifice?”

“How would a failed startup affect your confidence or reputation?”

“What is more important for you personally to be successful or the technology”

What to Look For:

Reminder: Red, yellow, green is not a grade (i.e., red does not mean failure) and the facilitator should focus on patterns and overall sentiment.

Green Signals (Comfortable with venture-typical risk and control dynamics)

- Distinguishes between ownership of vision and execution control
- Has given up control productively in past (large grants, shared labs, co-teaching)
- Views failure as data rather than identity threat
- Can name specific things they won't sacrifice and is realistic about trade-offs
- Describes risk in terms of manageable downside, not catastrophic outcomes
- Comfortable with idea that technology might succeed without them leading
- Financial risk is bounded and discussed in concrete terms

Yellow Signals (Risk tolerance exists but with meaningful boundaries)

- Comfortable with financial risk but not reputational risk (or vice versa)
- Will share control but wants ongoing visibility into key decisions
- Failure concerns are primarily about time investment rather than identity
- Can delegate execution but struggles with delegating strategy
- Sacrifice discussion centers on family time or research, not career survival
- Has financial cushion but worried about opportunity cost

Red Signals (Risk profile may not support startup demands)

- Needs to maintain control over technical decisions indefinitely
- Cannot separate technology success from personal success
- Describes failure as "devastating" or discusses reputational catastrophe
- Cannot name anything they're willing to sacrifice
- Financial situation is precarious and startup equity is expected income
- Discusses bringing in operators but all scenarios keep them as final decision-maker
- Public visibility of failure is described as intolerable

Collaboration Sub-Signals

Team formation and collaboration are foundational for start-up success, and the following explicitly addresses these considerations. Founder alignment applies at both the individual and founding-team level. A spinout path seeks alignment across all individuals whose participation is necessary for success. In some cases, collaborators may pursue different roles or pathways (e.g., one individual licenses while another explores a startup role). These outcomes are valid and should be treated as intentional design choices rather than failures of alignment.

GREEN: Track record of productive disagreement in collaborative projects; distinguishes between collaboration and compromise; comfortable with shared credit

YELLOW: Prefers to lead but can follow; collaboration works best with clear role boundaries; shared credit feels uncomfortable but acceptable

RED: History of solo work or collaborative projects that ended in conflict; describes most collaborations as "not worth the hassle"; shared credit feels like stolen credit

Decision Aid Questions

After Arc 2, ask yourself:

1. What kind of risk are they actually comfortable with?

- Financial risk but not reputational: Licensing or technical advisor role
- Reputational risk but not financial: Ensure they have runway/grants
- Neither: Strong signal for pause or licensing

2. Is control non-negotiable or situational?

- Non-negotiable: They may not be able to scale with the company
- Situational: Explore what decisions they need to own vs. delegate

3. How do they handle collaborative tension?

- Productively: Co-founder dynamics are navigable
- Through avoidance: May need solo technical role or licensing path

4. What would "failure" mean to them?

- Lost time/learning: Resilient enough for early-stage pivots
- Career damage: May need more de-risking before launch

- Identity threat: Entrepreneurship may not be sustainable