



## **Learning to Let Go: Layoff Advice for Startup GCs**

**Technology, Privacy, and eCommerce**



As I [have discussed](#) in [numerous posts](#), [I love startups](#). They are vibrant places, full of learning and growth opportunities. Startups challenge everyone involved — including those in the legal department.

However, startups are not for the faint of heart. They are, by nature, temporary structures — no venture-backed startup remains a startup forever. Every startup must exit either in the form of an IPO, merger, acquisition, or bankruptcy. They may also be turbulent organizations that pivot, over-hire, overestimate their fundraising abilities, or take too much risk.

Due to the temporary and at times [unpredictable nature of startups](#), layoffs happen. They happen with relative regularity and are completely normal. And startup general counsel is often squarely in the middle of planning the layoffs, being laid off themselves, or both. Having been part of numerous startup layoffs of many sizes and under a variety of circumstance, I am convinced that general counsel, independent of whether they stay or go, are instrumental in helping everyone involved in the layoff process.

To make the startup layoff process as efficient and painless as possible, I follow a few major principles.

### **Set the tone.**

Being a general counsel and a member of a legal team is a position of leadership and privilege. The general counsel is often well positioned to model and advocate for a tone of dignity and respect, especially during difficult times. Layoffs are a great opportunity to provide that leadership.

### **Be helpful.**

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If you do your job right as a general counsel, then by the time the layoffs occur you will know most (if not all) employees well. They will be used to consulting with you on a wide range of issues. This means that you are in a great position to [be helpful](#). Consider helping your affected colleagues by opening your network, providing references, or sharing information.

### **Resist looking for a new job as you go through an exit.**

Although the startup may not have a job for you at the end of the road, the exit process experience is valuable. It's worth staying just for the learning opportunity. Leaving before completing the transaction will likely also disadvantage your client. And finally, it is very hard to do a good job interviewing or searching for your next adventure as you go through a milestone event.

### **Over-communicate.**

As a general counsel or even as a member of a legal team, you have access to information that many people in the company do not. You often have more time to anticipate and prepare. You may also influence outcomes, at least to some extent. Most of your other colleagues likely have less time to process or influence the information. Over-communicating, to the extent that confidentiality allows, can help colleagues to process the information and feel a little more in control. It will also help to address rumors.

### **Be a human.**

[You are a person first](#) and a lawyer second. And you are a human, not a robot. A closure or a downsizing often inspires general counsel and lawyers to retreat, whether intentionally or accidentally. Consider being intentionally visible and personable to support and assist your colleagues through a transition. After all, if you built a product together, why not go through a transition together?

Layoffs are difficult for even the most talented general counsel, but following these principles can make them easier. Of course, every leader has a different strategy. How do you lead through layoffs? Share your layoff process principles by emailing [hello@olgamack.com](mailto:hello@olgamack.com).

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She has authored numerous books, including *Get on Board: Earning Your Ticket to a Corporate Board Seat*, *Fundamentals of Smart Contract Security and Blockchain Value: Transforming Business Models, Society, and Communities*. She is working on her next books: *Visual IQ for Lawyers* (ABA 2024), *The Rise of Product Lawyers: An Analytical Framework to Systematically Advise Your Clients Throughout the Product Lifecycle* (Globe Law and Business 2024), and *Legal Operations in the Age of AI and Data* (Globe Law and Business 2024).