



Setting Goals for Your Startup



What's next starts here.

You know you should be setting goals for your company and the various departments within it. But you've tabled the task yet again in favor of dozens of competing priorities. Think about this, though: If everyone in your startup can't name the company's top three to five goals, how are they going to prioritize the myriad things they need to do to realize your vision? Plus, if you don't have company goals, it's safe to say that your departments, whose goals should roll up to the company's goals, don't have a blueprint for success either. This makes it tough to know if they're on track when you sit down for performance check-ins. Ready to move goal-setting to the top of your list? We asked around for some advice to get you started.

The investor: "We encourage our founders to first set up three to five company-wide goals that the investors and board agree will produce value. For example, reaching a certain level of revenue. The CEO should then assign his or her departments their various goals and showcase a direct tie to the company-wide goal. For instance, if the goal is to reach a certain revenue threshold, marketing's goal could be to generate a certain amount of leads; sales' goal would be to convert a certain percentage of those leads to closed deals; technology's goal could be to deliver on time and within budget; finance's goal could be to keep accounts receivable days below a threshold; human resources' goal may be to bring in two new salespeople for interviews by the sales manager. Many times, early-stage company departments set their own goals and are often siloed or disconnected from things that the investors believe will create real value. Make sure every goal or action item for every employee or department can ultimately funnel in and offer a measurable contribution to the company-wide goals."

—Terence Channon, Managing Director,
[Saltmines Group](#). Follow him on Twitter at
[@terencechannon](#).

A word on goals

When creating goals for your company, remember that to be effective, they should be:

- Specific
- Measurable
- Realistic
- Deadline-driven

For example, if you want your marketing team to generate leads, which is a common goal for that department, you might set a goal of increasing qualified leads by 10 percent each year (assuming you have a baseline). Next, you'll want to define qualified leads as those that meet your criteria—U.S.-based companies with more than \$50 million in revenue, say. This is a good goal because it is specific (increase qualified leads, defined as X), measurable (by 10 percent), realistic (10 percent should be a reach but definitely doable) and deadline-driven (by next year).

The founder: “It might be a little different strategy than most companies use, but I hired an outside consultant to help me develop key performance indicators (KPIs) and meet with each department head once a week. This gives me an outside-the-organization, unbiased perspective on how those departments and their managers are performing. I figured my vision would get clouded by the social aspect of working in an office, so I hired someone as an adviser for these matters. My business has grown more than 300 percent in the past 18 months because of it!”

—[Chris Post, founder, PostModern Marketing. Read his blog.](#)

The management consultant: “As a tech startup grows, CEOs and founders need to set areas of achievement for departments. These goals are going to define the pace at which the company grows and the level of performance expected from each department head. The goals should be in line with the mission and values of the company and, most important, in line with the board of directors' expectations and the exit strategy of the business.

“If the company is targeting quick growth, development and an exit through IPO or acquisition, the CEO should look toward identifying measurable development and revenue goals over a three- to five-year plan with smaller quarterly objectives. Identify your market, what it takes to become a leader in your market, and the resources required to meet those sales and development goals. Focus on controlling spending and maintaining revenue. Drive a revenue goal and run-rate. Target competitors and surpass them through product and service functionality, and global sales outreach.

“If the company is targeting a long-standing path of success, it is best to target annual strategy goals. Give your team the ability to grow slowly and without error. Focus on the long-term roadmap, developing employees within and throughout the organization, and gradually growing the team in various departments pushing innovation and cost control.

“There are various ways to set goals; however, the primary approach depends on the short- and long-term expectation or plan for the business.”

—[Ray McKenzie, founder and principal of Red Beach Advisors Follow Ray on Twitter at @RayMc209.](#)



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