

From Start-Up to Grown-Up

What's in it for me? Scale up your leadership skills and your business at the same time.

Congratulations, you've launched your own company! One of the best aspects of being CEO of your own business is not having a boss. Although it also means you now have to learn how to be the boss. The more you scale your start-up, the more new skills you'll need to keep up with the growth. The good news is that you can hone these skills and grow alongside your company. These blinks look at the tried and tested tools available for improving leadership at all the stages of your start-up journey. And they show you what you need to do to keep everyone happy and motivated along the way - including yourself, your employees, and even your cofounder. In these blinks, you'll learn

why keeping track of past successes helps you grow in the future; how simple rituals can support you to become a better leader; and why cofounder partnerships are like marriages in need of a prenup.

Cultivate self-awareness to become a better communicator and leader.

Imagine you're leading an all-hands meeting with your company. But as the leader, instead of sitting at the same level as your team, you're standing on top of the conference table - and you're holding a megaphone. This may sound like an over-the-top way to run a team meeting. But the truth is, anything you say or do has a loud impact on your employees. As CEO, your voice is amplified, whether you intend it to be or not. When you're the boss, everyone is listening for cues from you. Always. Even when you're just brainstorming under your breath, they hear loud directives. That's why it's critical to have a strong grasp on how you communicate. The key message here is: Cultivate self-awareness to become a better communicator and leader. As the leader of your start-up, you must embody the culture you want to see. Before you can lead people, you need to be able to self-regulate. You should be able to motivate your team and hold them accountable, without losing your cool. It helps to be aware of any blind spots in your behavior. Of course, you might not know your blindspots - the clue is in the name! - but you can be sure that your colleagues will pick up on them. Take Charlie, a fintech CEO coached by the author. His CTO, Jack, had vetoed a proposal for new engineering processes. In Charlie's mind, Jack was blocking progress. But what the author noticed was that when Jack tried to bring up a concern about Charlie's proposal, Charlie's manner would turn aggressive. It was no surprise Jack wanted to drop the subject! The thing is, Charlie didn't realize he was being aggressive. He saw himself as a passionate speaker. And since he wasn't aware of how he came across, he wasn't able to convince Jack to his advantage. There's a chance that you, too, have blind spots that get in your way. Everyone does. But you can get better at identifying them by becoming more self-aware. It's a skill that starts with self-reflection. How do you express yourself? Do you ask questions, listen carefully, and collaboratively explore solutions? Or do you tell people what to do and shift responsibility? Get familiar with your natural ways of communicating and your triggers. Once you understand your behavior, it's time to turn inwards, as we'll see in the next blink.

Counteract self-doubt by thinking back to past successes.

Another founder, Jake, was struggling to get his investors to put more money into his start-up. The investors were skeptical about revenue growth and cost structure. They wanted to see a new backer step in to take on some of the risk. The uncertainty sent Jake into a tailspin. What if he couldn't raise the round elsewhere? What if this meant the end of the company? He became convinced that people would discover that he was unable to get more funding from his investors and conclude he was a bad leader. When coaching him, the author told Jake that actually, his fundraising skills were probably fine. It was his mindset that needed tweaking. The key message here is: Counteract self-doubt by thinking back to past successes. Facing repeated rejection can take a toll and lead to feelings of self-doubt and negative self-talk. It's common for founders to have a negative script running in their heads, particularly at times of high stress. But it's been shown to negatively affect performance. When you're in a state of self-doubt, you aren't getting an accurate picture of your competencies – you tend to focus on all of your shortcomings, while totally undermining your successes. To counteract the negative effects of self-doubt, forget your inner critic and focus on gathering evidence. Take some time to think about your past achievements and write them down. You want to create a highlight reel of your successes. That way you can call on it for a confidence boost whenever you're feeling shaky. Remember Jake? After the author instructed him to create his own highlight reel, he recalled times he'd succeeded in securing investment in the past and was able to soothe his anxiety. With less anxiety, he could endure rejection without being deterred and had more headspace to keep looking for solutions, until eventually he landed his funding round. You don't have to put up with self-doubt and criticism. When you find yourself in the middle of a storm, tune into and challenge those niggles and worries. In fact, you don't even have to wait for disaster to strike. Pull up a story or two from your highlight reel every morning and you'll notice that it helps you build an ongoing confident mindset. As you're about to find out, repetition works wonders.

Establish a set of routines around your workday to boost motivation.

Have you ever watched Rafael Nadal play tennis? Before a match, he's known to drink his energy gel, water, and recovery drink in precisely the same order every time. This routine is a ritual he uses to center himself. Little rituals like this are common in sport – like in baseball, when the batsman steps out to swing the bat, and maybe looks up at the sky before he's ready to get back into position and make a hit. Think of leadership as a sport that requires you to show up and perform your best each day. Simple rituals can help get you into gear, too. The key message here is: Establish a set of routines around your workday to boost motivation. Get your day off to the best start by setting an alarm clock that's not your phone. Keep a pen and paper nearby and when you wake, take five breaths and then immediately write down five things you're grateful for. Only then should you get out of bed and get ready. When you get to your desk, before you start work, write down three things you want to get done that day. This can be anything work-related or even personal. Finally, write down one thing you want to let go of. For example, maybe you want to get rid of negative self-talk as we discussed earlier. Or

maybe you want to let go of a specific worry. One of the author's clients, Joyce, was an overwhelmed founder of a consumer app and mother of two who was at her wit's end. After a month of trying this routine, she noticed she could handle any mishaps better, and found it easier to identify things she was grateful for in the face of them. It proves that how you kickstart your day is important. But there are also things you can do throughout the day to get a kick of energy or motivation. Maybe try some jumping jacks, for example, when you feel the mid-afternoon slump coming on! Finally, establish a third ritual to wind down at the end of your day. Journaling can be a powerful evening routine that encourages self-reflection, while helping you step back from the chaos of the workday and setting you up for a fresh start tomorrow. When you proactively incorporate positive habits into your routine, you'll have so much more motivation for the meandering journey that is growing your start-up.

Know what skills you need to scale your start-up - but also hire for values.

Jocelyn was the founder of a health-care start-up, though she wasn't medically trained herself. To fill the gap in her knowledge, she hired as many doctors as she could. During her coaching sessions with the author, Jocelyn shared her frustration: the doctors were experts, but they weren't cooperating, they weren't meeting deadlines, and their teams were confused. Although Jocelyn had hired the doctors based on their medical expertise, she hadn't considered the importance of leadership and work styles. To avoid making the same mistakes as Jocelyn, make sure you know what skills to look for. It might not always be obvious. The key message here is: Know what skills you need to scale your start-up - but also hire for values. Before you hire, you should identify the specific jobs you need to get done. It's crucial to base the role on your real needs, not just the most common start-up job titles on LinkedIn. You might even find that you don't really need to hire someone. Instead of an assistant, maybe time management software is more appropriate for your business right now. If you decide you do need a bigger workforce, first work out what abilities you're looking for and then consider the soft skills and values that go along with them. In other words, think about the company culture you want and hire for that. If you want people who'll work hard but also naturally solve problems with others, make sure to ask candidates about a time they dealt with a really tough challenge. Did they put their head down and solve it at their desk, or did they gather a small team and brainstorm solutions on a whiteboard? When reviewing your candidates, also try to imagine how they will fit in - in vivid detail - before you make the hire. Think of three specific successes you'd like the person to have achieved six months from now. Imagine how they'll do it and what that process might look like. For example, if you need someone who can effectively manage direct reports, imagine your ideal candidate in a meeting presenting their work. Reflect on their skills and weaknesses in that context, and think about how you will support them. After all, once the interviews are done, whoever you hire becomes your responsibility.

Get people to follow you by giving them praise.

Lindsey was building a skincare empire. One day, when the author stopped by the office, she noticed a packaging designer named Wilson was visibly upset at his desk. When

asked what was wrong, Wilson said that he worried Lindsey didn't like one of his new designs. She hadn't said so directly, but there was a rumor that she'd been critical of it. That's when the author reassured him the rumor was wrong. In fact, Lindsey had recently referred to Wilson as a creative genius! To the author's surprise, Wilson burst into tears and thanked her profusely. What was the secret sauce that set Wilson crying? Positive feedback. It's not always obvious, but a lack of positive feedback takes a toll on your employees. And as CEO, part of your job is to show appreciation. The key message here is: Get people to follow you by giving them praise. When Google conducted research on what makes teams most effective, they found that psychological safety was the number one factor. When people feel safe and supported – as opposed to bullied, harassed, or humiliated – they do their best work. And it's up to you, as CEO, to make sure that's the case. Part of that means making sure everyone in your company feels included in shared milestones and recognized for personal wins. Remember what we said earlier about positive self-talk? Just as you need to boost your own confidence, you need to give others positive input if you want them to stay motivated too. If giving praise doesn't come naturally, don't worry; it's something you can learn. Make a spreadsheet of all your executives and key employees so you can track when you give them some form of praise. Aim to say something positive to each individual at least twice a week. It's also your job to tell your employees when they're doing something wrong. In this case, pay attention to how you communicate. Instead of attacking, put the situation into a wider context and focus on facts rather than emotions. For example, you could say: "OK, we missed our sales target. It happens." But then, point towards a cooperative solution, like: "Let's run some experiments to find out what we could do better next time." Company culture starts with you. But as we're about to see, the bigger your workforce, the more help you're going to need in leading it.

The more people you hire, the more you need managers and HR support.

An early-stage start-up can feel like a wild ride. You're making it up as you go along but everything feels fresh and exciting. If things go well and the company gets a first round of funding, you know your chances of doing it again are possible. You keep going and going until – fast-forward – you've become a company of 50 people. Suddenly, you have way too many people to manage personally. No matter how much you enjoyed winging it at the start, if you want to keep growing, it's time to set up structures to support you. The key message here is: The more people you hire, the more you need managers and HR support. At some point, you're going to have to create a structure to make sure you and your employees are all working together productively. And like it or not, structure implies hierarchy. It's fine to go the unconventional route. Many start-ups have: Spotify organized their staff into squads, tribes, and guilds, while Hubspot's sales team is divided into pods. However you wish to structure your teams, the bottom line is that you need a system of roles and responsibilities. The people who lead teams – your managers – hold multifaceted roles. On the one hand, they are your line of communication and the people you rely on to keep you up-to-date. But your managers' job is equally about helping your employees grow, and it's up to you as CEO to provide the framework. For example, you could try the GROW model, a question-based approach to coaching developed in the 1980s. First, you set a Goal. For example: What do you want your team to achieve? Next, do a Reality Check: What's happening in the present? Look at your Options: What are some actions you could take to improve things? And finally, consider your Way Forward: What's your plan of action? You set out the framework and rely on

your managers to take it on. But, depending on how many managers you have, you might not be able to train each one personally. It's time to bring in a Head of People or an HR function to support you with onboarding, training, and keeping an eye on performance. Having a system in place will ensure your employees are both effective and happy, and means you'll continue to attract the best talent. Together this team will create a strong system of management that will serve you as you continue to grow.

Develop metrics to measure progress and guide your start-up forward.

When you first start a business, it's tricky to predict how much you'll sell or how many new leads you'll land. In the early stages, selling more in one quarter is considered a mark of success. But what if you could have sold even more than you actually did? This is where metrics come in handy. The concept behind metrics is simple: they measure your progress and guide you toward maximum efficacy. But metrics aren't just about numbers. The key message here is: Develop metrics to measure progress and guide your start-up forward. Systems and metrics may feel boring and inflexible, but they are critical to running a growing business. They ensure the efficient, predictable running - and scaling - of your start-up. The most basic measurement to watch over is your budget. When you raise a \$250,000 seed round, it seems like that money will last forever. But then you rent office space, hire a team, and buy supplies. Before you know it, you've burned through half. Having a financial plan in place helps you avoid running into problems. In addition to budgeting, you should also habitually monitor your projects and milestones to see where you - and everyone else - stands. For this it can be useful to create a dashboard, which is simply a spreadsheet set up to capture the status of your most important projects in one place. List your projects in one column. For each item, create a set of milestones along the relevant row. These milestones are your metrics for progress; you're going to mark the status of each as either green, yellow, or red. Green denotes that everything is on-track. Yellow means that the project is off-track, but there's a plan to get it back on the rails. Red means it's totally off-track, and there's no plan to fix it. Check the dashboard as a team once or twice a week. That way everyone can see where the most important projects are in real-time. Remember, people are motivated by understanding what they are shooting for. The most important metrics will change as your company grows, but your habit of monitoring them shouldn't. And if you're really not a fan of systems and processes, you can always hire someone who is.

Address conflict with your cofounder by creating a prenup.

Josie and Raj met in college, where they discovered they'd both had the same idea for an online marketplace. Although they didn't know each other very well, they decided to start a business together. The pair quickly raised \$10 million and, as their customer base grew, got office space and hired 18 people. All was fantastic - except for one problem: Josie was having issues with her cofounder. She shared her growing frustrations: Raj would roll in before lunch and then leave in the afternoon, while she was in the office from dawn till dusk. Why didn't he have the same work ethic she did? In fact, the better question was: Why did she expect him to have the same work ethic? Everyone works differently. So, before going into business with someone, make sure to

check your expectations. The key message here is: Address conflict with your cofounder by creating a prenup. A cofounder relationship is a lot like a marriage. At first, you have the honeymoon period where you are in agreement and excited about everything. But the honeymoon period doesn't last forever. Often, it's not an outright conflict that brings it to end; it's unresolved conflict and tension that breaks relationships apart. If you have a cofounder, make sure you agree on a way to address conflict before it arises. To do this, make a list of questions – what the author refers to as a cofounder prenup. Ask each other: Why do you want to create this start-up? What are your most important values? Why is your cofounder the right partner for you? What are three words that describe the culture you strive for? How will you make decisions when you strongly disagree on something? And finally, What does success look like? Review the questions individually first, and then bring your answers together. This exercise is useful whether you've just started your partnership or have been working together for years. In fact, you can make a habit of looking at them once or twice a year, just to make sure you're still on the same page. Don't be afraid to pull these out during conflicts, either. After all, it's natural to want to avoid conflict, but the cost of doing so is high. When you create a structure to communicate openly with your cofounder, you'll set your venture up for long-term success.

Final summary

The key message in these blinks: Before you can lead your start-up effectively, you need to have a strong handle on your own behavior and communication style. After all, managing others is about helping them grow, which means striking a balance between motivation and holding them accountable. As your start-up grows, put in structures and systems to support you. That way you can be sure that everything is in place to help you on your path to scale-up. Actionable advice: Give new employees a personal operating manual. During onboarding, make clear what you expect of your team. A great way to do this as CEO is to set out how someone can work best with you in the form of a personal operating manual. A personal operating manual describes what you know about how you work. How do you like to be contacted? Do you want a heads-up before receiving a call? Do you prefer to mull over decisions or make them on the spot? And, do you tend to change your mind? Encourage others in your start-up to produce an operating manual, too. That way, everyone's on the same page from the get-go.