Startup Founder Survival Guide: 50+ Rules to Live By... Learned the Hard Way - David Politis

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Over my 20-year career as a founder, executive, operator, advisor, and investor in enterprise SaaS companies, I've been through *a lot* of ups and downs.

I've been an executive at two companies at inception (founding employee then CEO at one, and founder/CEO at BetterCloud). I was also an executive at one of the first cloud consulting companies just as they were getting started. At these companies we generated $100s of millions in ARR and hired thousands of people, including dozens of executives. We raised rounds from the best VCs in the world. But on the flipside, I've also been through a number of macro downturns, company pivots, existential moments of impending company failure, cash crunches, and terrible hires.

Through it all, I got a close-up look at how (and how not) to do things. I made my share of mistakes, but it's these mistakes that have taught me the most powerful lessons.

Recently, I've taken a step back from a day-to-day operating role. I've been spending more of my time advising early stage founders, many of whom are facing those very same challenges and situations for the first time.

To help shorten that learning curve, I've put together this "operating manual" with 50+ of my biggest lessons learned over the past two decades. It's filled with personal anecdotes, actionable tips, and advice to help other founders avoid the same mistakes I made. I plan to apply all these learnings at my next company. Feel free to pick and choose whichever ones are most relevant for yours. (*Note: These lessons are aimed toward early and growth stage companies.)*

Not everyone will agree with my learnings or suggestions. As a member of several founder/CEO groups, I know people have strong opinions on how to run

a company. That said, I'm still hoping this will resonate with readers. If each person just takes away one insight that will help them grow their business, then this was a success.

If there's one general piece of advice that underpins everything, it's:

Building is hard. Stay in the game to give yourself a chance to win.

The average time to an exit, if there ever is one, is over a decade. Be prepared for the grind. Yes, it's going to suck at times, but it will get better.

Three critical things will help get you through the long haul: resilience, perseverance, and conviction. Ride it out. Continually learn, evolve, and move forward.

Keep going, keep growing.

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Finding and hiring the best people

1. Overselling candidates will backfire. Share the good, the bad and the ugly, don't sugarcoat anything.

- How did I learn this lesson?

Early in my career, I felt like I had to sell candidates on roles, everyone from entry-level grads to C-level executives. The problem is that it often ended up attracting the wrong talent. It also set the wrong expectations and created misalignment from day one.

I learned this lesson when hiring for SDRs/BDRs (Sales/Business Development Representatives), the salespeople doing cold outreach to prospects. At first, I sold the role as an awesome way to become an account executive. If they did well as an SDR/BDR, they'd quickly be promoted. They'd get to close lucrative deals and earn big commissions. I'd explain how amazing our product is, all the reasons

people need it and will buy it. I'd explain that they'd be getting leads from all the marketing initiatives we were working on.

But this set the wrong expectations. For many, it was their first job out of college. They were shocked when they discovered the reality of the job. They heard "No" 90% of the time, they were hung up on, they had to call, email, LinkedIn message hundreds of people a day, and it took 12-18 months to get promoted. We had no training program to help them master the messaging or understand the market.

The same thing happened when we were hiring for the customer/technical support teams. When we started hiring we were presenting the role as just another support job, taking live chats, responding to tickets, etc. When people started they found out that we expected response times on chats to be sub 10 seconds, that we were requiring people to get certified in the platforms we supported, that each week their tickets would be peer reviewed and a lot more. Our expectations for our support team were just higher than others. Ultimately this resulted in losing a couple of new hires right after they joined.

It sounds counterintuitive, but after these experiences, I actually tried to dissuade people from taking the job. I outlined all of the challenges of the role. I admitted that I didn't know if I could do the role successfully. Once I did that, it attracted a different kind of candidate. If we gave them the offer and they accepted after that kind of conversation, it meant they were ready to hit the ground running, overcome challenges, and wouldn't be expecting a promotion three months down the line.

- Why is this important?

When your company is small, hiring is especially important because every hire is such a large percentage of the whole. There's very little management due to the scale of the company and how much needs to get done. You don't want the dark cloud of misaligned expectations hanging over people's heads. People should know exactly what they're getting into and be excited about it.

- How to implement it:

Be honest and clear about the challenging parts of the job and the company. For each role I would identify the three hardest parts of the job and center the

interview around those things. To come up with those three things I would think about:

— What parts have people in this role complained about?

— What parts would *I* find hardest to do?

— What is “non-standard”, what do other companies have in place that we don’t?

— Where are other people in this role failing?

Highlight all that in the interview. Do your best to underpromise on everything so people are delighted later. You want them to feel like you’re almost over exaggerating.

A common question I get is, “Won’t being that transparent scare off good candidates?” It won’t. Think of it as a self-selection mechanism. It actually attracts the right people and scares the wrong ones away. It’s like a trust fall–you just have to trust the process.

2. Most people have no idea how to interview candidates effectively.

- How did I learn this lesson?

One day I was walking into an interview with a candidate. One of my employees, who had just finished interviewing him, was walking out. The first thing they said was, “I hope I did okay. I was really nervous. That was the first time I interviewed someone.”

That interaction made me realize something. Even though I’d been asking people to interview candidates for years, I never wondered if they felt comfortable interviewing, or knew what questions to ask (maybe more importantly what *not* to ask), or ultimately what we were looking for in candidates.

Everyone has been interviewed for a job. But when it’s time to sit on the opposite side of the table as the interviewer, they get thrown into the fire. It’s assumed they know how to interview candidates.

After that, I made sure anyone who was going to interview a candidate went through training. This ranged from HR rules around what could and couldn't be asked, to sample questions for identifying certain traits, to a list of attributes we were looking for in a specific role.

- Why is this important?

Interviews are not perfect by any stretch of the imagination. But it's the only chance you get to decide if a candidate's skills, experience, and values align with your company's, so it has to be used wisely. Also, constant interviewing can be a burden on the team. So the more effective interviewers you have, the less of a burden it is.

- How to implement it:

Select a set of people who will be your interviewers. Spend a few hours with them. Brainstorm the top 10 questions, do mock interviews, and get them comfortable with the process. Most importantly, make sure they clearly understand the goal of the interview. What are they trying to assess for–is it technical skills? Cultural fit? Ability to grow?

Another tip is to train interviewers to dig deeper by asking "why" at least three times. Example:

Q: Why did you go to <X> school?

A: They had a great entrepreneurship program.

Q: Why was that important to you?

A: Because I wanted to start my own company.

Q: Why did that appeal to you?

A: I enjoy tackling the challenges most people shy away from. I like being the underdog.

Interviewing is very superficial, so the second and third "why" is where you get to the guts–how someone thinks, what their motivations and goals are.

3. One simple way to ensure a candidate is being truthful…

- How did I learn this lesson?

There is one tactic I learned at a CEO conference that changed how I will interview for the rest of my career.

During the interview, ask, “When I call (your previous manager’s name) and ask them what your #1 weakness was when you worked for them… what will they say?”

Obviously you’re going to do reference calls, and hopefully you’ll speak to a candidate’s previous manager(s). But if they think you *will* call that manager, they immediately answer the question differently and more honestly.

I have used this in every interview since hearing about it at the conference, and it’s completely changed my interviews.

- Why is this important?

Everyone comes prepared for interviews with canned answers. This question is a great way to cut through any embellishments and prevent generic answers.

- How to implement it:

Early on in the interview, before you ask any critical questions, ask, “What was the name of your last manager?” Take note of it.

Later, as you’re asking the harder questions that will make or break the person’s candidacy for the role, ask, “When I call (manager name) and ask them what your #1 weakness was, what will they say?”

The key is to say “when I call” and not “if I call.”

4. Reference check anyone you want to give a job offer to.

- How did I learn this lesson?

A few years ago, we had a sudden gap in leadership when a VP unexpectedly left. We needed to hire someone quickly.

Then we came across a candidate with an amazing resume. He had worked at multiple companies we aspired to be. His list of technical skills and accomplishments were exactly what we were looking for. Basically, he was perfect. We hired him right away.

But within days, we discovered (the hard way) that everything on his resume and LinkedIn was made up. We were shocked at how different he was, vs. how he presented himself in the interviews.

A few weeks later, I was at an event with the CEO of the company that he'd previously worked at. I asked him, "Do you know <this person>?" He said, "*Do not hire him*. He lied about all his work experience. He is a complete fraud."

I could have saved myself a lot of money, time, and anxiety with a simple call. But we were in a rush. We thought that a reference check would slow down the hiring process, and we didn't want to lose him.

Since then, I've learned my lesson. It's essential to reference check every candidate, especially ones you're hiring for critical roles. The reference checks should consist of calling the references the candidate provides but also finding at least one or two back channel references.

- Why is this important?

Like the lesson "One simple way to ensure a candidate is being truthful", reference checks are another way to ensure you're protecting yourself and bringing on only the right people.

In the past, I've skipped reference checks because either the role didn't seem "critical" enough, or we were in a rush, or the candidate was referred by someone we knew.

Of course, part of the challenge is that candidates will only give their best references– their friends, longtime colleagues, etc.–but even with those references if you dig enough you will get good information.

But for any critical role, it's important to try to identify people in your network who are connected to the candidate, to see if there's anything else you can learn outside of the references provided. What I've learned by being on both sides of reference calls is that it's usually not about finding glaring red flags (even though that has happened more than a couple of times), but more about ensuring that the person is actually a good fit for the role.

- How to implement it:

For any critical role, try to get reference checks from: a) someone who worked for them, b) someone who worked with them, and c) their manager. This will give you a 360 view of the candidate. Also try to find at least one or two backchannel reference you can reach out to, and at least get an unbiased confirmation of their references they selected. When I go into a reference call there are four things I want to understand:

1. Was everything the candidate told me in the interview accurate? Did they have the responsibilities they outlined? Did they have the impact they said they had?
2. Where were they not successful? What project or situation was challenging for them? Where did they need the most help?
3. What is their superpower? What were they known for? What is that one thing you can count on them for?
4. What is their work style? Are they going to match how I work? How the company operates (i.e. do they like to be in person or are they fully remote, are they ok with ambiguity or do they need everything perfectly defined and outlined, do they enjoy mentoring people earlier in their career or would they prefer to only work with people who are very experienced?)

It's important to go deep in the reference calls. I always set the stage and explain that there are no "right" answers, I'm just trying to identify fit with the role and company. I've had experiences where the reference thought they were giving a positive reference and it turned out that their answers actually validated a concern I had with the candidate. And I've had the opposite, where the reference wasn't "positive" but in reality the reasons the candidate wasn't successful were the reasons I thought they would be successful with us.

5. Success with search firms (and really all services firms - Legal, Tax, etc) has more to do

with the partner than the firm.

- How did I learn this lesson?

Over 20 years, I've worked with at least a dozen executive search firms on 20+ searches to find a CFO, CRO, CMO, CCO, CTO, CIO, CISO… you name it. I've worked with tiny 3-person firms all the way to the largest well-known firms.

What I learned is that the partner you work with is what matters. The firm really doesn't matter much.

This lesson came from a CRO search I did early on in my career. The firm was one of the best known firms for VC-backed tech executive searches, and the partner was highly recommended by our VCs.

When I finally hired the CRO (who I had to let go of three months later), I found out that he had never met the partner who was doing the search. Every conversation had been with a 24-year-old associate, fresh out of school. This junior associate had been the one doing all the outbounding, interviewing, and reference checking.

I realized later that he'd been pitching the company using the wrong messaging and positioning the whole time. I also discovered that the partner was working on many other searches for higher profile clients, and they just wanted to get me to hire someone as quickly as possible. As a result, the CRO was a terrible fit and failed miserably. He was never really interviewed the way you'd expect from an executive search firm.

At the time, I was inexperienced. I didn't know what to expect, what to push back on, and what questions to ask.

On the flipside, I later worked with another search firm to find a CTO. The partner interviewed every candidate himself before introducing them to me. Three months into the search we had a finalist, but we discovered something questionable in their background. We were so far down the path and had already cut all our other candidates loose, but the partner said, "I don't think we can make him an offer. Let's start this search again."

He understood they were giving up considerable time and money to restart the search and find the right candidate. It took another three months to find a CTO,

but that firm became a highly trusted search partner to me. I've since used them for multiple searches.

- Why is this important?

It costs a crazy amount to hire search firms (often 25-30% of the exec's salary), so you have the right to hold them to a high standard. Executives will make the biggest impact on your company. They're the CEOs of their departments, and they can make or break the organization.

- How to implement it:

Ask the search firm for references and talk to them. Ask the firm how many searches they have going on at any given time. If it's more than three or four, it's unlikely you'll get the proper amount of time you deserve.

Ask them explicitly what their process is like and who's involved in each step. For example, who's involved in the screening, negotiation, and interviewing processes? The right partner will not delegate everything to a junior associate. They will hustle for you, take the time to learn about your business, and be thoughtful about who'd best mesh with you.

6. When hiring executives, make sure they have experience at the right stage of growth.

- How did I learn this lesson?

When I first started hiring executives, I would prioritize people who came from big name companies like Google, Amazon, Microsoft, Salesforce, or ServiceNow. But that resulted in five very bad hires over the years.

I'm embarrassed that it took so long to realize that those leaders have actually worked in a much different environment than a $1m, $5m, $30m, or $60m company. As a result, their skillsets and experiences are usually not aligned with what you need.

Take the marketing executives for example. They're used to having unlimited budgets, large teams, and brand cachet–all the scaffolding and support of a tech giant. Yes, they have playbooks, but early stage companies need to do things that will have an impact *tomorrow*, not next year.

The same applies to sales and product teams. When salespeople email a prospect from an @google.com or @microsoft.com email address, people respond. They're part of a huge machine, and most companies are already their customers in one way or another. They encounter a lot less friction selling to prospects than an unproven startup would.

As for product and technology leaders, they're working on small pieces of a massive product. The "urgency" they work with is very different–it's not life or death for the company.

- Why is this important?

It ties back to what I said earlier about how important executives are. The wrong hire can make budgets and teams start ballooning. I'm not saying that it never works out, but I'd say 90% of the time it doesn't. It usually results in overspending, cultural changes that are hard to unwind, and lost time, which is the most expensive.

- How to implement it:

Don't be automatically enamored with the ex-Googlers and ex-Salesforce Trailblazers. Make sure your executive candidates have experience at the appropriate stage of growth. If a candidate did come from a big-name company, look at when they worked there. Did they join *before* the company already reached a massive revenue scale of hundreds of millions of dollars? Before they were already a recognizable brand?

7. There is a maximum number of execs you can bring on at one time.

- How did I learn this lesson?

There was one point while scaling to $50m in ARR that I had to hire or replace (for multiple reasons) a CPO, CRO, CCO, CTO, CMO, and CPeopleO all in the same 12-month period. There was a lot of pressure coming from the team and investors. So with my "bite the bullet" mentality, I figured, let's just hire them all at the same time.

That turned out to be a big mistake.

At any given time I had three exec searches going on. Doing the searches was hard enough. My entire day was basically filled with back-to-back interviews. I rushed through a few of them because I just wanted to check them off my list (and paid dearly later on).

But the real problem came when we were trying to onboard all these execs at one time. When I think of the “Forming, Storming, Norming, Performing” stages of development, we kept getting stuck in the first three stages and sliding backwards. Just as one exec was getting ramped up, another would join. Nobody had any knowledge of the business, so I had to be even more involved. Then each new exec wanted to make changes on their teams, which pushed the issues further down the org. The wrong execs wanted to build up their teams quickly and created a lot of middle management which resulted in them not being close to the business. We had the values of the company that we were pushing the new leaders to align to but we never actually identified what it meant to be an executive at the company and what our expectations were for them as leaders.

- Why is this important?

As critical as it is to have the right people in the right seats at the right time, there’s only so much change you can stuff down through an org at one time. And as CEO, it’s nearly impossible to onboard multiple execs, serve as a sounding board, and do your day-to-day work too.

- How to implement it:

I recommend staggering these types of roles. If you have a team already in place with critical mass and knowledge of the business, then you can bring on two execs max at any given time. It’s important to let them get fully ramped up before bringing on the next set.

Also, look at your current team. Are there people in seats today who can serve in the interim (and maybe even long term) in these roles?

My advice is to first hire execs in the areas where you’re weakest. If you have expertise in the area, you and a strong interim leader can fill that gap in the meantime. The maturity and structure of the department you’re hiring for matters a lot as well. If you have mature functions it’s usually easier to replace the leader. There will be metrics to monitor, existing managers and leaders who can keep the function running while the new executive is ramping up, systems and processes in place to keep the day to day machine running.

8. Grit is the most important attribute for your first hires.

- How did I learn this lesson?

The number one attribute that I'm always looking for in a new hire is grit.

Over the years, I've noticed there's a special kind of person who doesn't just survive the early years at a company. They *thrive.*

They're the people with grit. They are determined, resilient, and ultimately thrive in war time. They're the ones ready to fight through the impossible problems and roll with the punches.

- Why is this important?

Even the most successful startups have a lot of ups and downs. The journey is never linear or consistently up and to the right. If there is one constant, it's change, and that is true whether a company is growing 200% a year or perpetually pivoting to find product-market fit. It's critical to have people who can succeed over a long period of time in that environment, and that takes grit.

So much of building a business is trailblazing: creating a new way to do something, solving a problem that hasn't been solved before, having to put in those extra hours to deliver something critical. All of that takes a level of determination that isn't present in everyone.

I've seen leaders who don't have grit. The reality is, they become a burden for you. Instead of being self-sufficient, they require constant hand-holding and explanations, whereas people with grit will proactively tackle challenges and remove obstacles.

- How to implement it:

Seek out and prioritize hiring people who exhibit grit. In the interview process, ask about failures and rejections. Look for humility and the ability to adapt, and get a sense for their diligence in achieving long-term goals.

Managing and motivating your team

9. Write down your company values early on.

- How did I learn this lesson?

At my first two companies, we never took the time to write down our company values, vision, or goals. I quickly learned that everyone described them differently, which left them up for interpretation and created a dangerous game of telephone. As a company grows, it's easy for values to mean different things to different people. It's also hard to interview effectively for culture fit if your values aren't clearly defined.

Since I started advising early stage companies I've noticed that almost everyone has values of some sort but in many cases they're just one word values: Trust, Grit, Integrity, etc. They're so generic that it is hard for people to latch onto them. I believe they need to be short phrases with descriptions, something that makes them unique to your company.

- Why is this important?

Of course, values live in the day-to-day work of the company and the brain of the founder/CEO. But when it's written down, the rest of the company can refer to it, act on it, and anchor to it in their day-to-day work. Then it's not all on you, the founder, to constantly explain the values over and over again.

- How to implement it:

To be clear, you don't need a consultant to come in and help you write these things down. But it's worth a half day with your core team to come up with them.

Here's how we came up with our values at BetterCloud. We brought together a team of about 20 people who were considered the culture carriers at the company. We spent a total of about eight hours over four sessions writing down the values of the business. We did this when we were already 100+ people, but I wouldn't have done it earlier. (If you want more detail on how we did it, I wrote a step-by-step guide on LinkedIn here: *How to Define, Live and Celebrate Your Company Values*)

For the company vision, the execs spent time at an offsite coming up with a vision statement. It wasn't perfect but it was directional, which is what really matters at the early stage. It was amazing how much easier it became for managers to manage their teams, and for teams to manage themselves.

10. Embrace overcommunication.

- How did I learn this lesson?

When I was in my first leadership role (CEO of a tiny company at 22 years old), I had to do a round of layoffs. Because we were in the thick of the 2008 financial crisis, I just assumed that everyone knew what was happening at the company. But they didn't. Everyone was completely blindsided to hear that our business was struggling. I realized an important lesson that day: I wasn't communicating enough with the company on how things were going. I needed to communicate more effectively.

So years later at BetterCloud, I took this lesson to heart by writing long monthly updates via email to the entire company. I did an excellent job of communicating… or so I thought.

It turns out, a lot of people weren't reading the essays I was writing (even though I spent hours writing them). This was another good lesson I learned. Send your message through multiple channels, like email, Slack, and all-hands meetings.

Not just that, but I also learned that I should "cascade" the message. So I would first share the communications with my execs, then the leaders at the company, and then the whole company. This way, I could get an idea of what questions would potentially arise when I presented it to the company, and other execs could answer them too.

It takes a lot of work, but it's so worth it. I'll talk about this later, but it's worth doing the same thing with your board.

- Why is this important?

If you don't communicate at all, like what I did at my first company, people fill the void with their own theories and assumptions. That can be dangerous.

Communicating through multiple channels is effective because you reinforce the message and meet people where they are. Many engineers prefer to read messages in Slack, not email. Other people may prefer hearing updates in a live environment like an all-hands meeting. Others might prefer to see charts and graphs. Everyone digests information differently, so don't limit yourself to one channel or format.

- How to implement it:

Even when you think you've said something a million times, repeat yourself. Ensure the same message is repeated across all channels. Establish a cadence (monthly, weekly, quarterly) so employees know when to expect your updates and where. It's a big effort, and it needs to be done consistently, but it's worth it.

11. Celebrate wins and top performance regularly.

- How did I learn this lesson?

In the day-to-day battles of a startup, it's easy to overlook the amazing work that keeps the business alive. If you're like me, you want to spend more time talking about what needs to be improved. I worry about patting ourselves on the back too much. At the same time, there are people going above and beyond, achieving heroic wins that others aren't aware of. It's important to shine a light on all of that.

At BetterCloud, we had a tradition of handing out "Crushing It" awards every month to team members who had gone above and beyond while living one of our four values. We would recognize them during the monthly all-hands meeting and via all the other channels available to us. We would send them stickers to put on their laptops (like football helmet decals… if you're a football fan).

Then we did something similar at the end of every year where we called out the top 5% of the company, based on peer nominations. These BetterClouders of the Year were the people who most embodied our values during the whole year. We made them custom, loudly colored Beats headphones so that everyone knew who they were.

We also had a #wins channel in Slack where we automatically and manually posted big wins, whether it was a deal that was closed or a new release that went out. (I wrote up a LinkedIn post about this if you want to learn more: *#wins: How to Connect Every Single Employee to Every Company Victory*)

- Why is this important?

A few reasons. 1) Everyone likes to be recognized for what they do. People are more motivated to do work when they feel seen. 2.) It also motivates people who haven't been recognized yet. 3.) People can celebrate all the amazing things happening in corners of the company they don't usually see.

- How to implement it:

Make the celebrations lightweight enough so they can be done consistently. Ensure that you're recognizing a good percentage of the company–not too low, but not too high either. 2% of employees per month and 5% per year worked well for us. Make sure the wins are tied to meaningful activities, and create keepsakes that are meaningful to the organization.

12. You will need to replace your exec team multiple times as you scale.

- How did I learn this lesson?

You will have to replace execs as time goes on. This feels like one of those things you hear from every single CEO who's scaled a company, but it's still worth calling out.

Not every person will be able to scale with the business. 90% of the time, the executive who can take you from $0-$10m won't know how to take you to $50m in ARR. Likewise, the people who can get you to $50m probably won't be the right people to take you to $200m. Of course there are exceptions, but this has been my experience and that of many other CEOs.

The reality is that you bring in execs, pay them a high salary, and give them a lot of equity because they help scale your company. If you've never scaled before, then you're paying for that expertise to fill in gaps. But when those execs can no longer see around corners for your stage of the business, it's time to replace them.

Like I said, I've seen exceptions to that rule. The people who I've seen scale through multiple stages have a special ability to keep growing and evolving. Whether it's learning from advisors, investors, or mentors, they actively work to shorten their learning curve.

- Why is this important?

Replacing your exec team is uncomfortable every time. Even if you know it's an inevitability, it's hard to do. But if you plan for it, it can be a much smoother

process.

- How to implement it:

You will feel it when your exec team is not evolving anymore. They can no longer see around corners, and their growth hits a ceiling. When this happens, their lack of growth will stunt the company's growth (and yours too). This is a sign that it's time to replace them.

If you know that this is going to be the case (that not everyone will be able to go the distance), then it helps to be upfront about it when hiring execs. Explaining exactly what stage you're hiring them for, where you need them to get the business/team and how long you expect that to take. I believe that for a lot of execs (and generally type A personalities) that can be very motivating.

13. When you think it's time to replace someone, it's probably too late.

- How did I learn this lesson?

I'll always remember one of the first salespeople I fired. He was terrible on the phone, terrible over email, and generally lacked enthusiasm. I knew I had to let him go, but he was the absolute nicest guy. I felt so bad about it, I couldn't sleep the night before.

One day, about six months later, I ran into him at a bar. I was nervous about seeing him again, but to my surprise, he came up to me and gave me a huge bear hug. He thanked me profusely for letting him go. He said he was now doing face-to-face sales in a different industry, and he'd already been promoted and was making a lot more money.

It just wasn't a good fit. I have dozens of stories like this. Knowing those stories has helped me be more confident in replacing people when it makes sense.

There's nothing harder than firing someone. I've given people so many chances before actually letting them go, I've avoided the hard conversations, I thought I could change them… you name it.

But what I've learned is that when it's not working (at any level in the company), both parties are usually happier on the other side of the separation. Their time, skills, and personality are probably a better fit elsewhere. The sooner you do it, the better.

- Why is this important?

Usually, when someone's not a fit, everyone else in the org can see it. The longer you take to exit them, the more credibility you lose, and the more time you waste. You're creating friction and drag on the org where you can't afford it.

- How to implement it:

Ensure that you have a full system in place to gather feedback on your team. Whether it's comprehensive annual reviews or informal skip-level conversations, it's important to keep a pulse on your direct reports.

Have regular and open conversations with your team members about where their "sweet spot" is, as it relates to company size, role, growth stage, etc. Is it aligned with what they're doing today?

You know in your gut when it isn't working. Trust your gut, but verify through deeper inspection. And most importantly, don't wait to do it.

And all of this goes for your direct reports and how they manage their teams. You need to be following this approach all the way down the org. Just remember that if it's hard for you to let someone go it's probably much harder the more junior a leader is and you/your people team will need to coach them through it.

14. Create succession plans.

- How did I learn this lesson?

I never did succession planning until I was recently working with an investor who insisted on it. Up until that point, I had no successors for any of my leaders. I never had any conversations about when they'd be ready to move on.

It forced me to have an open, candid conversation with every one of my execs. I learned where their head was at, if they wanted to be here for the long run, who

could succeed them, how long that would take, etc. The conversations were fascinating.

To be clear, I don't think there is ever a point–at least not in a small company–that you can have clear succession plans for every single person or role. But by just having the conversations with your team, you'll learn what they're interested in doing next, who they believe in on their team, etc.

- Why is this important?

Without succession planning, you're constantly stressed out: What happens if this exec decides to leave tomorrow? Who would step in? Succession planning relieves that anxiety. It also provides better business continuity and visibility. And as a side effect, your rising stars understand they have a clear career path. At the end of the day, your people are everything.

- How to implement it:

No matter what stage you're at, it is worth having open conversations with your leaders to ask things like:

- Who do you think could take over your role if you leave or when we promote you?
- What gaps does that person have to step into the role?
- How long will it take to fill those gaps?
- Do they want to pursue this path?

As the company gets larger you'll want to be more formal about the succession planning. Plans and timelines for every executive and key employee. Something that is documented and is being actively worked on.

15. To get honest, critical feedback from employees, you need to create safe spaces for them to give it to you.

- How did I learn this lesson?

Over my entire career, I always met directly with employees. And every time, without fail, I got feedback that was very important to the success of the company. But why wasn't it surfaced earlier?

What I've learned is that in order to get real, constructive feedback, you have to 1) seek it out, 2) give people a safe space to share it.

- Why is this important?

Your individual contributors know what's happening in the business. They know where the fires are, how to deal with them. Who the top performers are. How customers are feeling about the business. But it's hard to extract that honest, critical feedback. Even if you tell everyone to bring stuff up, flag issues, bring ideas to the table… they feel uncomfortable doing it.

They worry about what their manager might say. They don't want to rock the boat. They get so consumed by the day-to-day that they don't focus on the bigger challenges and opportunities. They assume nobody will care about what's on their mind.

Until people have a safe space, you won't get honest, accurate feedback.

A safe space begins with trust. They have to trust you'll keep things confidential, and that you'll do something actionable with their feedback. I know there's a lot of debate about anonymous surveys, but anonymity is another powerful way to make people feel safe enough to respond honestly.

- How to implement it:

Here's how we did it at BetterCloud. First, we created an anonymous Google Form where people could ask questions ahead of all-hands meetings. When I reviewed two years' worth of questions in the form, I could tell exactly what was happening at the company and what mattered at the time, based on those questions.

Similarly, we also conducted an annual anonymous employee survey. Every year, we had 95%+ participation from the company. These were long (30-50 questions), but it always revealed tons of ideas and feedback on how to improve the business.

16. Your top performers are force multipliers, so spend 1:1 time with them and find out what makes them tick.

- How did I learn this lesson?

Whenever I spend time with top performers, it's some of the most enjoyable time I've spent as a leader. When you can get in front of the people who have that drive to succeed, ability to deliver, and are the role models for the company, it's incredibly energizing.

So a few years ago, I set out on a mission. To find out what made them tick, I met with our top 40 performers in 40 days.

These 1:1 conversations were eye-opening. I learned top performers want to be recognized as top performers. They are clear on what motivates (and demotivates) them, who other top performers are, what projects can move the needle, what can kill the business. They are also force multipliers. Not just because of the work they do, but because of the work they inspire others to do.

When I asked them what drained their energy, they said anything that added friction or prevented them from delivering on their work. With a couple of simple questions, you can understand those roadblocks. Most of the time it's easier to remove or fix than you might think.

For example, someone once told me they had to fill out a daily form outlining what they'd achieved the day before. Then they found out their manager wasn't even looking at it. We quickly got rid of that. Another was frustrated by tedious approval processes in Salesforce, so we fixed that too. I have dozens of these stories.

- Why is this important?

Startups are in a continual state of war. In the fog of war, you forget sometimes that you're surrounded by amazing, untapped resources in your top performers. They have the brainpower and knowledge to easily 10x the business, but you have to first sweep away the friction to let them do it.

- How to implement it:

First, we identified our top performers in two ways: 1) We asked executives to nominate a few from their teams, 2) We identified people with the best performance review ratings.

Then I sat down with each of them for a 1:1. I always touched on three things in these conversations, which I recommend doing:

1. First, make sure they understand they're a top performer. Top performers are often their own harshest critics. Many times, they're not explicitly told they're a top performer. When they are, they feel valued and seen.
2. Then, understand what the #1 thing is that's holding them back from doing more. Top performers just want to perform. If you can close the loop and get rid of that friction quickly, that person will be even more vocal going forward.
3. Lastly, understand what they are looking for in their career. What drives them? Is it money, title, role, etc.? What I found is that if you ask people to rank those things, they'll be pretty honest. Then you can either address those items right away, or speak to their manager and ensure there's a timeframe to give them a boost in whatever area drives them.

Another way to leverage the power of these force multipliers is by showcasing them and their work at all hands meetings, company kickoffs, etc. It's actually amazing to see the impact of other people at the company seeing how much a top performer is contributing to the company.

17. Standardize compensation and benefits.

- How did I learn this lesson?

Every person you hire will have some request related to severance, their vesting schedule, PTO, etc. You name it, I've heard it. It depends where the candidate is coming from, but I've seen some crazy requests (at least what I consider crazy).

The thing that saved me countless times over the years was standardizing the terms, benefits, and structure of compensation. Everyone, including me, had the same structure. This way when someone joined and wanted unlimited PTO, I could tell them that everyone has X amount of PTO, and I couldn't make a special exception for them.

It was easier for me to negotiate in good faith, and if we ever did make a change for one person, we'd do it for everyone.

- Why is this important?

Standardizing compensation and benefits simplifies negotiation, team management, and creates an "in this together" mindset.

- How to implement it:

Come up with a structure that makes sense for you given the stage you're at, your capital situation, and the types of people you're looking to hire. Feel confident that you can go to market with that package. Stay firm on what you're offering. If you end up getting to a point where you need to change part(s) of it (and you probably will), then proactively make that change for all the executives.

18. Be careful with the benefits you offer. You can't go backwards or take them away.

- How did I learn this lesson?

During the tech boom over the last decade, and especially in 2020 and 2021, I started seeing early stage companies offer lavish benefits on par with some of the biggest tech companies in the world.

This is a recipe for disaster.

First of all, the cost becomes unsustainable. Second, it sets the wrong expectations with candidates and employees. They expect to have these benefits forever. And as we've seen from a lot of companies… they won't. (Remember when Dropbox cut a bunch of perks in 2016? It was costing $25,000/year for each employee, which was about $38 million a year. That's unsustainable.)

- Why is this important?

A lot of founder/CEOs feel pressure to offer lavish perks in order to attract and retain top talent. There's a pervasive feeling of "Keeping up with the Joneses." They're afraid they'll never hire anyone unless they offer 401K matching and unlimited PTO (which is a farce by the way). Or that everyone will quit unless they offer 4-day workweeks.

The reality is, there are very few early stage companies that actually offer these things. The ones that do get all the PR, but if you follow those companies for long enough, you see that many go out of business, change their policies, etc. Similar

to what I said in Lesson #1, perks can also be a self-selection mechanism. It can attract or turn away people with the wrong mindset (i.e., entitled people).

19. Implementing user manuals is a great way to build an #inthistogether culture.

- How did I learn this lesson?

This is an exercise that I'll do at every company I'm a part of for the rest of my life.

I first learned about "user manuals" at a conference called the New Work Summit, hosted by the New York Times. The session, led by columnist Adam Bryant, focused on CEOs creating manuals to help team members understand how to work with them efficiently.

- Why is this important?

The user manual is like a "how to work with me" guide: It outlines what you like, what you don't like, how you work best. It was something these CEOs would give their team members when they joined the company in order to shorten the learning curve of working with them. It's essentially a cheat sheet, giving employees a way to quickly and efficiently learn about executives, which in turn allows them to work together more effectively.

I thought it was a brilliant idea. It made me wonder, "Why didn't I think of doing that?"

Every time I spoke about the concept, though, there was one thing that seemed odd to me: It's a CEO's manual.

The value was crystal clear, but why should it be limited to learning how to work with the CEO only? This learning curve seems to be even more pronounced in intra- and inter-team interactions, which happen a lot more on a daily basis than interactions with me do.

So I took it one step further: I decided to have the whole company create user manuals.

- How to implement it:

Have your employees create their own user manuals, outlining their work style, likes, dislikes, and communication preferences.

First, ask them to take some time to answer these questions, which focus on them:

- What are some honest, unfiltered things about you?
- What drives you nuts?
- What are your quirks?
- How can people earn an extra gold star with you?
- What qualities do you particularly value in people who work with you?
- What are some things that people might misunderstand about you that you should clarify?

Then, ask them to answer this next set, which focuses more on how they interact with others:

- How do you coach people to do their best work and develop their talents?
- What's the best way to communicate with you?
- What's the best way to convince you to do something?
- How do you like to give feedback?
- How do you like to get feedback?

This exercise, while short and simple, is tremendously powerful. Sharing these manuals within the team can help improve team dynamics, collaboration, and efficiency.

If you want to read my user manual, or learn more about how we implemented them at BetterCloud, check out my LinkedIn post here.

20. Create a singular, company-wide goal to hit critical milestones.

- How did I learn this lesson?

In 2017, we had invested tens of millions of dollars and almost two years rebuilding the BetterCloud platform — with the goal of increasing our TAM, increasing ASP, and setting us up to scale the business 10x. We essentially "burned the boats" of our old platform and bet the business on it.

But when we launched the new product, we ran into a serious problem. Customers weren't adopting it. It wasn't selling as fast as we'd hoped or expected to.

As we were speaking with investors, both existing and new, we realized that showing traction on this new platform was key. Every investor I spoke to said, "Getting a critical mass of customers is really what's going to determine if we'll invest or not."

So we decided to create a single, company-wide goal: get 100 customers on the new platform in the next nine months.

We removed all other goals, targets, and focuses for the entire company. We put a counter from zero to 100 on every single TV in all our offices, to count the number of customers. That was literally the only thing on the TVs. For nine months, all we talked about was this goal.

It was incredibly powerful. When the entire company had a single focus, it forced everyone to get aligned and move quickly toward achieving that goal. That included making changes to pricing, to adding specific features, to how we messaged the product. By the end of nine months, we blew past the number, successfully drove adoption of our new platform, and ultimately were able to raise a round and grow business more than 10x from that period of time.

- Why is this important?

Over time, goal creep is natural. You believe you can do more than what's actually possible, and you forget that you have a resource constrained team.

When there are major goals or milestones to hit, or massive roadblocks to clear, the only way to do that is to have everyone rowing in the same direction. Everyone has to be maniacally focused on that one thing so they're not distracted. There can be no competing priorities.

- How to implement it:

I'm not saying that every company of every size should only have one goal. I'm talking about those critical moments in time where there's a specific milestone that has to be achieved.

You have to identify that North Star, number, or goal and explain to the company *why* it's so critical. Explain how each group can lend a hand in the success of that goal, and what will occur by reaching that goal.

Also, don't forget to celebrate the goal. Along the way, we made sure to celebrate small wins, and when we finally hit our number, we took the time to celebrate that achievement properly. We had a party in all of our offices with 100 bottles of champagne, balloons that said "100" on them, cake, etc.

To learn more about how we achieved that goal, check out [this interview with Adam Bryant].

Raising money

21. Don't run out of money, don't run out of money, don't run out of money.

- How did I learn this lesson?

Early in my career, a very successful multi-time CEO told me that I have three jobs as the CEO of a technology startup:

1. Don't run out of money.

2. Don't run out of money.

3. Don't run out of money.

I went through the financial crisis of 2008 at my first company. We were running out of money, trying to thread a needle in terms of fundraising at the perfect time, at the best valuation, etc. Then the market crashed when we had a term sheet in hand but before we could close. The investors crushed all the common shareholders and took advantage of the situation we were in.

All of that has driven me to always ensure that we have 12+ months of runway in the bank. I've given up on maximizing valuation. I've rewarded speed to close when it comes to the rounds we've done because fundraising is so distracting.

My lesson learned: It's better to have flexibility and money in the bank, rather than in a corner hoping that you'll execute perfectly and get funding at the optimal moment.

- Why is this important?

Money is oxygen. You can't stay in the game if you don't have money.

I hope you're profitable and that you never have to raise money. But if you're like most tech startups, you're losing money and continually investing it to build your product.

It is *your* job–not your CFO's, not your investor's–to ensure that the company has oxygen. Like I said in the beginning, it's critical to keep going, keep growing. You have to have a very sober view of your cash runway and understand all the options available to you. When it's time to raise money, make that your priority.

- How to implement it:

Always be brutally honest with yourself on what the company's cash runway is. Don't use the "best case" or "most likely" scenario. Use the most conservative, worst case scenario as it relates to your cash balance. Whatever you think it is, make it worse, and use that as your starting point.

When it comes to raising capital, always understand what optionality you have. Understand if there are equity options, debt options, etc. Keep those options warm so that in a challenging situation, you're not starting from a standstill. In situations where the only way to ensure cash runway is through expense reduction, make sure you reduce more expenses than you think you need to.

22. Sell the big vision, but make sure investors see that you're also focused on executing on the interim steps to get there.

- How did I learn this lesson?

Early in the life of BetterCloud, I set up a fundraising trip to Sand Hill Road. I traveled up and down meeting with all the best investors in the world. I was so excited to tell them the BetterCloud story, but nobody was interested.

Many years later I realized why.

I was so focused on operating the day-to-day business that I didn't sell the big vision. I only showed them what we were working on *at that moment*–the product we launched the company with.

Over and over, investors would tell me that this wasn't a billion dollar idea, that it wasn't going to be a big business. Of course, I had the bigger vision in my mind, but I hadn't built it out yet. I also hadn't built out how we'd get from point A to B, or explained how our customers would become much bigger over time as we evolved our product.

My lesson learned: Venture investors don't care about a business that is going to get to $5m, $10m, $25m of ARR. They want to see a path to $100m+, and you need to map that out very clearly for them.

- Why is this important?

Given the failure rate of startups, investors are trying to make massive returns, to the tune of 10x, 50x, etc. They want to see the bigger vision and get excited by the opportunity at hand. But if you over rotate there, they'll wonder if there's a credible path to success. At the same time, if you get too in the weeds, they'll wonder if there's a big enough idea.

- How to implement it:

Show investors that you are an operator. Show them that you understand you will need to pass through stages 1, 2, and 3 before you get to that big disruptive business that everyone is dreaming of. Show them that you're ready to swing for the big fences, but you're also execution minded.

23. Be careful what you tell investors. They keep detailed notes.

- How did I learn this lesson?

The first time I ever met with a venture capitalist, I sold hard. Too hard. In my eagerness to get them to invest, I told them that we were going to crush a

massive number, release a new product next month, and sign a huge partnership. Honestly, I was telling them what I thought they wanted to hear.

I learned a lot four months later.

That investor, who was interested in investing, took some time to learn the space and now wanted to dig into the business more. They started to ask about those numbers I said we'd crush, that product we were going to deliver, that impressive partnership we were going to sign. I was so embarrassed because none of those things had happened. Not that they weren't ever going to happen–in fact, we accomplished it all 3-4 months later–but it was too late. I lost a lot of credibility with that investor.

Ever since then, I made sure to paint a much more realistic picture. Here's what I consider the perfect story to illustrate this:

One afternoon I met with an investor for a growth round. I'd first met him years ago when he was still an associate at a firm. Since then, I'd seen him rise to principal to partner at various firms, and we had kept in touch.

In our meeting, he asked me very specific questions about the market, our business, our new integrations, etc. After about 30 minutes of conversation, he said, "I'm impressed. Everything you said you'd do, you did. And almost exactly on the schedule you laid out five years ago."

I asked how he remembered all of those conversations. He literally handed me his phone where he had his Evernote app open, and all of his detailed notes were there from every meeting we had over the years. It was a great lesson to always be realistic with investors because these relationships are built over a long period of time.

- Why is this important?

When you're in the hotseat in front of an investor, you feel the need to puff up your chest and talk yourself up. The reality is, investors want to find people who do what they say they'll do. You can really lose credibility if you don't. In many ways, it's better to underpromise and overdeliver.

- How to implement it:

If you're speaking to different investors on a rolling basis, it can be hard to remember when you met, what exactly you told them at the time, etc.

To solve for that, the best time to meet with investors is when you have key moments (like a major product launch, EOQ, EOY wrapup). This way, you know your conversations and updates are all anchored to the same point in time. Plus, they're based in the reality of the business; there's no room for exaggeration or grandiose promises. Only lay out what you know you'll deliver in the next 6-12 months.

Also keep track of specifics like who you talked to, when, which firm, which person, follow-up action items, etc. This is helpful for organizational purposes. Also don't overcommit on the follow ups promised to an investor but do follow through on what you say you'll do. Investors get so little data so a missed follow up can be misinterpreted.

24. Keep an open mind. You don't know where the next round of financing will come from.

- How did I learn this lesson?

A few years ago, I had a warm introduction to an investor. After several meetings, things were looking very promising.

Then, the week I was supposed to pitch to the partners–the final step–I got a cold call from a junior associate at another firm. Many investors and founders tell you that it's a waste of time to take those calls, but I took it anyway.

That 30-minute call turned into an in-person meeting a week later. Which then turned into a funding round a month later with one of our most impactful investors.

It was especially serendipitous because the original firm I was talking to ended up going out of business.

Similar to what I said in the previous lesson, some part of your job will always be about fundraising and building relationships with investors. If you continually build those relationships, your funding may come from unexpected places at unexpected times. You'd be surprised at how many deals get sourced by associates. Plus, these junior associates eventually become partners one day, so it doesn't hurt to develop relationships and keep an open mind.

- Why is this important?

While some of these firms who cold call you are genuinely interested in your business, some are just trying to do research on the market. And some are actually trying to do recon for a competitor that they have or will invest in. But if they're from credible firms, these cold calls can be a good educational and informational opportunity, regardless of why they're calling.

Use it as a chance to test your messaging. See how they respond to your pitch. Get information from them. You can show that you're an expert in your space, maybe throw a little FUD at your competitors.

Many times I've found that the best firms will be a resource even if they haven't invested. For example, they'll invite you to their events, introduce you to their portfolio companies for partnership opportunities, and even introduce you to other investors.

- How to implement it:

If you get an inbound call from a credible firm, take the call. Keep it short (30 mins) so you're not wasting time. Be honest and explicit; ask if they're looking at other businesses in the space too. Keep track of who you talk to.

In these introductory meetings (no decks, just discussions), get their take on your business and market. Try to understand if they have a thesis that fits with what you're doing.

It's important to understand who the decision makers are at a firm that you're talking to. In many cases the first conversation won't be with a decision maker. With that being said, if you're going to spend significant time with a firm you want to make your way to a decision maker pretty quickly. I look at it just like making sure that if you're trying to sell your product/service to a client, you're getting to the buyer of the product early enough in the process to know if there is really an opportunity there.

25. Be ready to tell investors your weaknesses. If you tell them nothing, they assume you're either delusional or lying.

- How did I learn this lesson?

One of my investors, who's very well known in the cloud/SaaS space, told me this himself.

He said, "If I ask a CEO what their weaknesses are–both as a person and as a business–and they don't have a clear answer, then I know something is wrong with them. Either they're not self aware, or they're lying."

- Why is this important?

The reality is that we all have weaknesses. No company out there has zero challenges. I was always ready to discuss these with investors openly. At the beginning, it's a little scary to be that open and vulnerable, but it's well received every single time.

It actually focuses the conversation on the things that matter. For me, this ranged from holes in my exec team, to poor net retention, to changing our messaging completely.

It's more exciting for them to see a founder who understands what the risks are and how to address them, rather than someone who pretends everything is perfect. Too much bravado doesn't help anyone.

- How to implement it:

Really reflect on yourself and as a company. Be prepared to talk about your top three weaknesses or challenges, as well as how you're remedying them and what's already underway.

Getting the most out of your advisors and investors

26. Keep your investors updated; they shouldn't learn anything new in a board meeting.

- How did I learn this lesson?

After hitting our numbers two years in a row, we had one of the worst quarters in company history. It was a perfect storm of events that caused it. We held out hope until the last days of the quarter that we'd turn things around.

We didn't.

About three weeks later, we showed up to the board meeting. We sent the deck ahead of time, but the investors were still surprised, concerned, and angry about the results.

This was a lesson learned only later in my career but one I wish I had learned earlier.

Like most companies, we held board meetings once a quarter. There were very few, if any, formal touchpoints with board members between board meetings. As a result, that put a lot of weight on every board meeting. There was always a ton to discuss and update them on (how would we tell them about the latest setback? What about the latest idea to expand TAM?). It created a lot of work and stress leading up to it.

Even though we'd send out the board deck ahead of the meeting, there inevitably would be something surprising in there. We'd end up spending a good portion of the meeting discussing it, diagnosing what happened, and identifying follow-up data the board wanted to see.

Then, one of our advisors recommended that we do bi-weekly 1:1 calls with our top investors/board members. I thought that was a crazy idea. I just wanted to focus on running the business; I didn't want to spend *more* time with investors and board members.

But once we started doing those bi-weekly calls, it immediately improved my relationship with my investors.

- Why is this important?

From that point on, board meetings went much more smoothly. Nobody was ever surprised again by an unexpected update.

We were much faster to make decisions as a board because I had already socialized key topics beforehand. My team already knew what questions needed to be answered, so we came prepared. A lot of the weight and stress was lifted.

My lesson learned: Regular touchpoints result in more productive board meetings, happier investors, and a more collaborative relationship.

- How to implement it:

Create a regular cadence of communications in between board meetings. These meetings don't need to be formal–there's no need for decks. Update them on the good, the bad, and the ugly. Use that time to socialize decisions, get feedback, bring up strategic topics you want to discuss, etc.

27. Board meetings should be strategic.

- How did I learn this lesson?

Shortly after one of our big investors joined, we had a board meeting. It was one of the ones I was most excited for because we'd crushed every number. The team had prepared a great deck, everyone had practiced, and we couldn't wait to share the results.

The meeting was scheduled for four hours. We finished in two.

I adjourned the meeting and walked out of the room. I remember giving my CFO a huge high five. "That was awesome," I said. "Our best board meeting ever."

I went back to my office and called the investor, still feeling elated. "So what did you think?"

"That was the worst board meeting I've ever been in," he said. "The most useless two hours I've spent in a long time."

I was stunned. "What do you mean?"

"Every quarter, for four hours, you bring this braintrust of very smart people together. These are people who have pattern recognition, connections, big ideas. And instead, you used that time to read numbers to us. That meeting should be used for strategic discussions and topics," he said.

He was right. From that day on, we never did board meetings the same way again.

- Why is this important?

If you're using your board meetings to review business performance in painstaking detail, bullet by bullet in a 100-page deck, chances are you have people falling asleep (and I've seen this firsthand).

But when you’re spending the time on meaty subjects where board members feel like they can help, then everyone will be much more engaged. Instead of just being used for updates, the meeting will feel much more outcome-oriented and productive.

- How to implement it:

Send the deck out at least 48 hours before your board meeting. Explicitly ask each board member to read the entire deck ahead of the meeting.

During the meeting, I recommend spending one hour reviewing the highlights of your KPIs and business updates, and addressing any questions around those.

After that, dedicate as much time as possible to 3-4 strategic topics that will really move the needle for the business. It could be executive hiring, partnerships, how to improve gross margin, potential acquisitions, types of investments you need to make, etc. For us, we agreed on those topics ahead of time in our bi-weekly investor syncs.

We would go very deep on those topics, and the exec owners who were responsible for the initiative would lead the discussion. Many times we would end the section with an ask of the board or a specific board member. For example, when we had a partnership we wanted to get signed, we requested an intro from one of the board members, who was connected to the CEO of that much larger company.

Prepare a few slides ahead of time on those strategic topics. Come prepared with requests, open-ended questions, and issues you want advice on.

28. If you want to get help from your investors, hold them accountable, and make it easy for them to help.

- How did I learn this lesson?

To expand our customer base, one day we asked our investors for introductions to specific portfolio companies we thought might make good customers. Every board member agreed to make intros.

But by the next board meeting… none of them made the intros.

When we pushed them on it, they said they wanted to do it, but needed it to be as turnkey as possible. So we created a spreadsheet containing personalized email templates, with the exact person to contact, for every one of the companies we wanted an intro to.

That worked very well. Then, at the next board meeting, we reviewed the spreadsheet to see if the intro had been made, and what the result was.

Looking back on that, it was silly of us to think our investors would send 100 emails for us. They're extremely busy. I learned that the easier you make it for them, the better the outcome will be.

- Why is this important?

There were two dynamics at play here: 1) I never wanted to bother my investors because I felt like they were busy. 2) As a first-time founder, I didn't feel empowered to tell an investor to do something for me. They didn't "work" for me, so I felt like I had no right to push them to do things.

The reality though is that everyone has the same goal: they want the business to succeed. Your investors *are* busy, but they should be ready to do work to support you however they can. And it's your job to make sure that happens. If they say they're going to help (and everyone does), then you need to make sure that they don't drop the ball. If you want them to really make an impact, hold them accountable and make it easy for them to help.

- How to implement it:

Make things as turnkey as possible for your investors. Create templates, centralize contact information, do the heavy lifting. Leverage their connections however you can–introductions to prospects, potential candidates for exec roles you're looking to fill, etc.

Also consider "gamifying" things to boost visibility. I know one CEO who always included a leaderboard as the first slide of his board decks that showed total revenue closed by board member. I love that.

29. Just because your investor is "famous", or an "expert" on the space or at this stage, doesn't mean they know more than you.

- How did I learn this lesson?

Early in my career, I took everything investors said as gospel. At one company, they told us we needed to evolve our product portfolio into an area that made no sense for us. It was a playbook that didn't fit our buyer, GTM motion, or our technology. I knew in my gut it wasn't right. But I was young, in my twenties, and felt like I needed to listen to them because they had all the power in the relationship. We spent months getting it launched, figuring out pricing, etc. It ended up derailing the company.

You'll interact with many investors and advisors who are considered experts in your space. But remember: Nobody knows it as well as you do. In reality, sometimes the people who have done it many times before or have been in your space for decades may not be able to think outside the box, they may not have enough to prove and ultimately just because they've done it before doesn't mean they are the right person to help you do it.

- Why is this important?

You choose to work with investors because of their experience (at your stage, in your industry, as an operator) and because they have a brand as an amazing investor or fund.

As someone who's "seen the movie before," they can–and should–give you important insights. Conversations with investors are always a good forcing function to zoom out and see the forest through the trees. In my experience, some of the best ideas for the business came from board members.

That said, *you're* living the business everyday. You know the team, you understand the market, you're spending time with customers. This is your baby.

Listen to their advice, but don't just follow it blindly. It's important to remember that they're just another input. At the end of the day, you're the one who will be held responsible for the outcome of those decisions. Make the decisions you believe are the best for the business.

- How to implement it:

My way of operating was to ask for advice, listen to it, and process it. Then I'd come back and explain why we were (or weren't) going to do something that was suggested, either formally or informally, by the board.

Apply your own filter and knowledge to everything. Use what makes sense. Ignore what doesn't.

One tip: If you decide not to follow their advice, make sure that the investor or advisor understands that you did hear them. Some of the best feedback I've received is when I didn't do things they recommended, but they appreciated that I heard them. If someone thinks you won't listen, at some point, they stop sharing suggestions and can become less engaged. And that may happen when you really need them or a recommendation could have been highly beneficial.

30. Advisors should only be brought on if there is something explicit for them to work on.

- How did I learn this lesson?

In my career, I'd had about 10 advisors. Five have been really impactful, and five have literally done nothing.

The best advisor relationships I've had over the years are with people who are specialists in specific areas (e.g., very accomplished CFOs, CMOs) who can work side by side with your execs on a series of projects or initiatives.

The other great advisors are people who know your space very well, either because they're a buyer or previously worked at a competitor. They can help you think through company strategy, product roadmap, messaging by persona, etc.

With our most successful advisors, the formal relationship lasted two years (meaning the vesting happened over two years). But the relationships lasted much longer, informally. Most of the value in the relationships was driven in the first 6-12 months, when meetings were very frequent, the projects were explicit, and the engagement was high. Once we completed those pressing projects, the advisors became more of a sounding board.

- Why is this important?

Too many companies bring on advisors for the wrong reasons.

The least successful advisor relationships were ones where they were just generic experts in the space. Either we didn't have a specific initiative for them to work on, or I left that up to them to figure out. We'd feature their name on the

website and in decks… and that was about it. It ended up being a waste of everyone's time.

Meanwhile, the right advisors can literally transform the trajectory of your company. When I've seen that happen firsthand, it was always because they were brought on to work on something specific. That could be anything from compensation plans, leadership coaching, or annual planning.

- How to implement it:

First, identify the biggest opportunities and areas of improvement for your business. Stack rank them.

Next, find advisors who have relevant expertise in those areas. Then spend ample time with them. Pick their brain to determine if they understand your business, have relevant ideas, and more importantly, are someone you can see yourself working with. Be sure to include the exec(s) who will be involved in that relationship too.

Product strategy and development

31. Build one thing, be great at it, then expand.

- How did I learn this lesson?

I'm not sure if every founder feels this way, but when it comes to product vision, my eyes are bigger than my stomach. When I see a problem, my vision for how to solve it becomes too big.

If you're an entrepreneur, you're probably the same way. You're Type A, you're a go-getter, you want to win and conquer the market. You have to be somewhat delusional (in a good way) to be a founder. But on the flipside, it means you're prone to taking on too much, too soon.

I've studied a lot of successful companies. What I've noticed is that all of them became very focused–at an early stage–on solving *one* problem and then expanded very deliberately from there.

When you're small and have limited resources, it's critical to find that "fast moving water" where you can win. Take advantage of that green shoot and be

very, very good at it for as long as you can. Once you have a customer base using the product and getting value from it, then you can start to expand.

This is obviously a hard balance to strike, but I've learned that a really good point solution can take you farther than you think. If you engage with your customers in the right way, then they will point you in the right direction to expand, and you'll have a built in customer base to expand into.

- Why is this important?

As an entrepreneur with fiery ambition, it's easy to think you're bigger or farther along than you really are. Or that you have more capacity than you really do. Or that there's less competition than there really is.

Where my companies have gotten into a lot of trouble is when we underestimated how much it took–not just to build a product, but also to maintain and scale it. What ends up happening is that you expand the product too quickly, and you're left trying to push multiple new products forward while still supporting and evolving the first core product.

The marketing, sales, operations, support, etc. all gets more difficult as your product takes up a bigger surface area. It's always harder than you think.

When you're no longer the best at one thing, but instead are okay at a bunch of things, then that's a mistake.

- How to implement it:

Really challenge yourself and your team to be the best at something before you move onto the next thing. Solve the problem you set out to solve, for the customer you set out to solve it for.

You know you've achieved this when: 1) You've built a product that can scale, 2) You're delivering true value to your customers, 3) You can eloquently deliver the three reasons why you have the best product in the market.

32. Take time to understand your ideal customer profile (ICP) and ideal buyer persona (IBP) and focus there.

- How did I learn this lesson?

One of our operating partners told me about the time he was the CEO for a van fleet tracking software company. Initially, their ICP was any company with a van. They had a massive pipeline, but he soon realized they were wasting a lot of time and energy going after such a broad market.

He discovered there was a sweet spot. Small companies with one van didn't need any tracking software. Large companies with 1,000 vans used bigger players in the space. Their sweet spot was any company with 3-10 vans. He also discovered that the ideal buyer persona/ the decision-maker was always the company owner, so that's who they targeted.

My lesson learned: It's important to understand who you're building the product for, and then make decisions based on what they need. This is relevant both when you're starting out and as you continue to scale.

Are you building for the Fortune 100 companies? Highly regulated industries? English-speaking countries? Small businesses? HR, IT, legal, sales teams, etc?

It's very easy to get pulled in all different directions, especially early on where you'll take any deal you can get. You might be building for SMBs, but then you speak to a Fortune 100 company that tells you they'll pay you $2m a year if you can just add these 12 features. Or the opposite happens. You're building for larger companies, but smaller companies give you feedback and you're pushed to build something that doesn't align with your ICP.

- Why is this important?

From a GTM perspective, you want your team doing the same thing over and over again and getting great at that motion. It creates much more complexity to sell to companies outside your ICP. The product, sales, CX, and support motions are very different for a Fortune 100 company vs. a micro SMB. When you start to expand outside your ICP, there is less repeatability, and it becomes much harder to properly prioritize product features.

- How to implement it:

Define your ICP and IBP well enough so that you can stay focused on it.. Be as narrow and specific as possible. The more attributes you can use to describe and define the ICP the better. Industry, location, employees size, revenue, language, other products they need to use to make your product relevant, etc. Make sure that that the market you are choosing to go after gives you enough of a TAM to

sell into for the stage of growth you're at. Find that customer who fits your culture, your product, your GTM motions, and be comfortable in that world.

33. The view of your product is very different from outside in vs. inside out. Don't go chasing your competitors features.

- How did I learn this lesson?

This image from Jason Yeh on LinkedIn is a perfect visual representation of this lesson:

When you're looking at other products as an outsider, everything always looks perfect.

Features look fantastic in their demo videos. There's a constant stream of accolades and awards for their product. Features are shipped at lightning speed. And all their customers are instantly adopting those features.

The reality is, every CEO I've talked to says their company doesn't ship new features fast enough.

A large subset of features in every software product go unused. In fact, a PM from Slack, a company that I admire and respect, told me that 90% of the features they release are never used. Your customers are likely using so many SaaS apps that even if they wanted to use every available feature, they couldn't.

To be clear, it's important to evolve your product and deliver new capabilities. But it's also important to realize that many large, successful software companies are (and have been) missing a lot of "must-have" features that you'd think are table stakes.

It's easy to look at other companies and feel jealous, nervous, concerned, or inferior. But once you get inside those companies, it feels and looks just like yours. It's important to remember that.

- Why is this important?

Having a distorted view of your competitors can get you dragged into areas that may not make sense. When a competitor launches a feature, the UI and demo video might look powerful, and you might feel a knee-jerk reaction to build it too. But maybe in reality it doesn't actually solve a problem. Stay focused on what you're building and not get distracted.

- How to implement it:

It's important for you and your team to look at the product from the outside in. Ask yourself, do you really need the 12th feature on the list? Will anyone use it? What value will that actually deliver to the customer? Is this something that is useful to your ICP or is this for a different target market? Is it something your customers are screaming for?

Make sure that you're building features because customers actually need them, not because you're chasing a competitor.

34. Pricing isn't going to be perfect at the beginning; don't waste your time trying to make it perfect.

- How did I learn this lesson?

When it comes to launching a paid product, so many founder/CEOs want to get pricing perfect on Day 1.

Perfect can mean maximizing the number of vectors in the pricing model, optimizing for customers of every size, maximizing future growth, maximizing simplicity, etc. You can spend unlimited time and still not get it right, especially at the beginning. That's because when you launch pricing, there's so much you don't–and can't–know.

My strong opinion is that at the beginning, pricing should be simple, easy to understand, and optimized for acquiring as many customers as possible. There will be many opportunities down the line to increase price, add packages, and make it more complex.

In short, make a decision, and know that you can revisit it in the future.

- Why is this important?

Trying to make pricing perfect ends up creating delays–and you won't get it right anyway.

Price changes over time are normal (and expected). You have to respond to the market, how the product evolves, etc. BetterCloud changed its pricing eight times in 12 years.

- How to implement it:

Early on, don't make the pricing process too complicated to start with; make it simple and quick. Make sure your customer agreements include flexibility to change pricing and packaging down the road.

Once you reach some scale (i.e. $10m+ in ARR), then pricing becomes a massive lever. At that point, it may be worth paying for a great pricing expert (usually an outside consulting firm). As expensive as they are, working with good ones will pay off many times over, especially once you have more data and a better understanding of your customer.

Engaging and delighting your customers

35. Turn your early customers into raving fans by making them feel special.

- How did I learn this lesson?

This is one of my top pieces of advice I give to every founder. Whether you call them design partners, beta customers, or early customers, it's worth going above and beyond to make them feel special. It's impossible to quantify how valuable those early relationships are.

I learned this from Marketo. As one of their first five customers, I felt special because I got to talk directly to their co-founders and give them feedback on the product. I felt heard when they added and prioritized features I needed. On top of that, they also sent me limited edition swag that identified me as one of their first customers.

In return, I did more for them as a vendor than I've done for anyone else. I served as a reference for their first round of venture financing, I did a testimonial video for them, I spoke to their prospects–and ultimately I bought Marketo at every

company I was a part of.

- Why is this important?

Down the line, those beta customers will become your first paying customers. They will be your first reference customers when you need to fundraise. They will be your advocates who write glowing reviews for your software. They will be the champions who push you the hardest to improve the product and help you make decisions on the roadmap.

I am still close with many of those customers today, and they really helped us succeed. That first set of beta customers–your first 10, 20, 50 customers–can "make or break" your company.

- How to implement it:

You can do this in whatever way makes sense for you, but here's how we made those early customers feel special at BetterCloud:

- Held 1-hour 1:1s every month with each of them to review wireframes
- Responded to their questions and ideas, closed the loop and showed them new features they'd suggested
- Sent them handwritten, personalized thank you letters signed by the whole team
- Recorded personalized thank you videos from the company
- Invited them to special dinners and events
- Sent them all kinds of custom limited edition swag, identifying them as early customers
- Gave them credit publicly where it made sense
- Acknowledged them when we had our first customer conference

They should also know they're helping you create your product. As a human, it's hard not to feel good about that.

36. Really listen to your customers. Understand their job and their day-to-day work.

- How did I learn this lesson?

I came up with the idea for BetterCloud's multi-SaaS platform when I shadowed an IT director and literally watched him do his job for an entire afternoon. I wanted to see firsthand what his challenges were like and where the friction was. I'd never seen so many Chrome tabs open in my life. At that moment, I realized there was a very real problem for IT at play, and I understood how we could solve it.

- Why is this important?

Really putting yourself in the customer's shoes can be daunting. But you quickly realize that with some dedicated quality time with the customer, you can learn a lot.

Everyone wants help to make their jobs faster, easier, and better. As a result, most people are willing to spend a lot of time sharing their challenges if they believe you can help solve them. The more you close that loop with them, the more they'll trust you.

- How to implement it:

Customer feedback is key. Similar to how I gathered feedback from my employees, I did the same with customers through annual surveys, 1:1 meetings (one year I did 100 1:1 customer meetings in 100 days), customer conferences, and webinars with live polling. When we had a new feature that was coming out, we'd show the mockups to dozens of customers and gather feedback through 30-minute interviews.

The annual surveys were surprisingly powerful. The breadth of the surveys helped us understand not only our customers' day-to-day work, but also broader market dynamics and our competitors. Because we did it every year, we could compare Y/Y data and identify trends. What was really useful was understanding their biggest priorities and challenges, because it helped inform and validate our product choices.

37. Be careful landing a huge customer early on.

- How did I learn this lesson?

Everyone wants to land that huge customer–catch a whale, so to speak. When you have a meeting with a big customer, you become enamored with them. I

mentioned staying focused on your ICP in Lesson #29. But when there is a huge $1m contract dangling in front of you, I know it's very hard to pass up.

If you're focused on enterprise customers, large customers make sense. But for the vast majority of startups, your product is not ready for that type of environment.

I remember we met with a very famous clothing company who was interested in purchasing BetterCloud. They said, "We'll pay you $800K if you just build these 80 things," and attached a very long spreadsheet listing the features they wanted.

The lesson here is: Be careful of catching that whale. You will likely get so bogged down that you'll end up with a product that isn't even what you set out to build. To keep with my metaphor, what you have to do to keep that whale will prevent you from catching new fish. And ultimately, you will lose the whale.

- Why is this important?

In theory, a huge customer sounds great. In practice, you just don't have the capacity to deal with them.

A common fallacy is thinking, "Well, I have this huge customer who will pay me $1m+ a year. If I just work with them and deliver the 90 features they want, then I'll get 20 more similar customers." The reality is that nobody else will need those features. The larger the customer, the more custom work they need just for their environment. The larger they are, the slower they move, and the more demanding they'll be.

The challenge is that most large companies know they are your largest customers, especially when you're at a very early stage. They will monopolize your roadmap, your support team, and your time. I've seen this actually kill companies.

- How to implement it:

Don't get distracted by the lure of a huge customer. If they ask you to build new features for them, ask yourself, "Would these requested features attract other customers? Is this customer part of our ICP? Are there more than one of them in the world?"

38. Invest in customer support; it's part of your product.

- How did I learn this lesson?

At my first company when I was young and had very little experience, my investors shared all kinds of ideas on how to reduce support calls, discourage customers from opening tickets, and limit the channels customers could reach us through.

What I learned is that pissed off customers still find a way to reach you one way or another. This ended up costing the same, but instead with customers who were now unhappy.

At BetterCloud we took the complete opposite approach. I read the book "Delivering Happiness" about how Zappos changed the game around customer support. So I decided we would try to do that for an enterprise software product.

To this day, the support we delivered–and still deliver–at BetterCloud is one of the things I'm most proud of in my career.

We actually got to a point where we were proactively monitoring error logs and reaching out to customers if we saw that they'd encountered any issue. We let the customer reach us through multiple channels, we invested in documentation early on, and we hired support agents who wanted to change the way support was done.

One customer said that they hated opening tickets with their vendors because it was a frustrating experience that made them hate the vendor. But with us, they said they actually looked forward to opening a ticket because of the amazing experience they had and the knowledge they gained.

- Why is this important?

For most enterprise software companies, customer/technical support is an afterthought. It's something they need to check a box. Basically, it's just a means to an end.

I've witnessed firsthand the difference when it's treated that way vs. when it's a strategic part of the business.

The reality is, support *is* part of your product. It's a powerful way to differentiate yourself from other companies. It's often overlooked, but it's a very emotional

part of the experience your customer has with you.

- How to implement it:

It takes a special team of managers, but it starts at the top. As the founder, you yourself should be directly (or intimately involved in) hiring the first set of support employees. These people will be representing your company to the customer during emotionally charged moments.

Once you have a support rep who's a "model citizen," use a peer reviewing system to ensure the rest of the team can learn from them and become equally as good. Measure customer satisfaction on a real-time basis to understand trends and anomalies.

Also, celebrate the support team the same way you'd celebrate the sales team for closing a deal. When they go above and beyond for a customer, make sure they're recognized for it.

GTM motion and focus

39. Get direct selling down first.

- How did I learn this lesson?

At one of the companies I was advising, they were convinced that channel partners would be a game changer for their sales.

While they were building their direct sales team, they hired a channel manager and signed deals with multiple channel partners. But none of their channel partners were delivering. The company was also having issues with their direct sales motion because they never really solidified their messaging, pricing, or ICP.

My lesson learned: Channel is important, no doubt. It can help you get leverage with distribution and can make a huge impact on the business. But the reality is, those partners are less knowledgeable about your product, and less motivated than your team. Focus on direct selling first.

- Why is this important?

Before you can do anything else, you need to figure out how to sell your product directly to your customer in a repeatable way.

There is a period of time when you're going from your first customer (that you closed) to your first couple of dozen. At this point, you hire your first salesperson. As soon as you do that, you realize that it's not that easy to get another person to pitch like you do, to have your passion, your credibility. Getting another person (or team) to be able to sell the product to customers is a bigger undertaking than most founders appreciate. Invest your time to make that successful.

Until you figure out your own messaging, pricing, and ICP, and make things repeatable, it doesn't make sense to bring channel partners into the mix. There are exceptions, but generally, you should figure it out yourself before you bring on a third party.

- How to implement it:

When you're transitioning from a founder-led sales motion to a sales-led sales motion, it's important for those salespeople to experience *you* (the founder). By that I mean, through osmosis, they should absorb your messaging, passion, and objection handling.

It's also really important that all of that gets documented, systematized, and becomes repeatable so that you can scale and hire a sales leader.

Direct selling isn't done until you have critical mass–i.e., dozens of deals that were closed by salespeople, with no founder involvement. It's not done until you understand who you're selling to, what the sales cycle is, and have some predictability in place.

Along those lines, once there's predictability and stability to your messaging, pricing, ICP, and sales motion, then you can pitch channel partners and get them excited.

40. Figure out the channel that works for you (in volume & cost), then exploit it. Don't feel like you need to be multi-channel to start.

- How did I learn this lesson?

In every company I've been a part of, if it's VC backed, there is always a drive to grow faster. It's inherent in VC tech companies. It's all about landgrab. But often, that desire for growth at all costs results in companies chasing new channels early on and constantly trying to find new sources for leads.

But in the early stages, it's hard to find the resources and time to pursue multiple channels to get customers. And the reality is, when there's one channel that's working, and it's efficient, it makes more sense to squeeze all that juice out first. If you have a lead source that works, people don't appreciate how much it can actually generate.

I recommend finding the channel that works the best, is the most efficient, and then exploit that. It could be a marketplace where your product is listed, a free trial motion you've figured out, or outbounding to a particular group of companies.

One founder I know essentially found out that his product was something every NAPA Auto Parts needed, and he exploited that to over $15m in ARR. He went to their conferences, he offered special deals to them, and he had his salespeople call on them only.

Another company I know was listed in the Salesforce AppExchange early on. They invested everything into making their listing as popular as possible: getting reviews on the listing, optimizing messaging, and working with Salesforce to get featured in different areas.

You'd be surprised how far you can go with one of these channels when they're working well. Of course over time, you need to go multi-channel. But early on, focus on one channel to start, and put all your team's energy into figuring out how to win in that channel.

- Why is this important?

By diversifying channels too soon, you end up spending a lot of money and time inefficiently. A new channel might be half as efficient. You miss the low hanging fruit, that fast-moving water. Similar to the theme in Lesson #28, if you're doing something well, then keep doing it for as long as you can. Extract as much value from it as possible.

- How to implement it:

Monitor your lead sources closely. Understand how much is being spent, and really question when it's drying up. Go until you think there's nothing left. If your investors are pressuring you to explore new lead sources, a good question to ask them is, "How much inefficiency are you okay with in return for growth? If the next lead source is half as efficient, do you think that makes sense?" Set expectations with the investor and make sure you're well aligned before spending any money.

41. Partnerships with huge companies are usually a waste of time.

- How did I learn this lesson?

At multiple points in my career, I've had opportunities to work with some of the largest and most well known tech companies in our space.

Every time, I became very enamored with the idea of a partnership. I thought, "Working with [X] company would be a game changer. They'll get us so much distribution, they'll add legitimacy, and maybe they'll even be an acquirer down the line."

In my experience, almost none of that is true. Like everything else on this list, there are exceptions to that rule. But usually, while these partnerships look attractive on paper, what I've seen is that they result in very little revenue and a lot of overhead. In the worst cases, the partner's product managers who don't know what to build next just steal your ideas.

- Why is this important?

It's similar to the lesson about going after very large customers early on. These partnerships with huge companies will just slow you down and in many cases kill you.

Why do they slow you down? First, it can take a crazy amount of time to build the integrations, set up the billing system to work with theirs, and train their 2,000 salespeople. Then your two lawyers have to figure out contracts with their eight lawyers. The GTM teams have to figure out pricing and launch plans and get press release wording approved by six levels of marketing people. You have to

figure out how to work across customer bases and not step on each other's toes. This all takes about 6-18 months. And when these partnerships are finally launched, they rarely yield anything material.

All of these hurdles illustrate the challenges with these kinds of partnerships. Do you have the team to go in and train their sales team on selling your product? Do you have the team to build a product integration with them that satisfies all the things they're looking for? Do you know if their customers are in your ICP? Is this an area that will stay a strategic priority for them? What happens if/when your champion leaves?

These types of big companies have multiple partnerships happening at once. The reality is, their salespeople will not be motivated enough to sell your product. Customers buy products from them but may not necessarily buy from you.

The company may have good intentions, but if that partnership doesn't work, it's no skin off their back. Meanwhile, it can put *your* early stage company out of business and become a dangerous distraction.

- How to implement it:

Try to resist the temptation to enter into a partnership with a huge company, if you can. I know it's tempting. But if you do do it, the way to find out how much they believe in the partnership is to ask them to contractually guarantee a certain amount of customers and/or revenue–whatever metric matters most to you. What you'll find is that most people won't be able to do that.

99% of the time, the time, effort, and money you expend is better spent on your own business. There are very few scenarios–unless it's fully contractually obligated– where it's better spent on a partnership.

42. Get multi-year contracts in place as soon as you can.

- How did I learn this lesson?

When I started my career, all the contracts we sold were monthly. Then when I started BetterCloud, we started with annual contracts. By the time I stepped out of the operating role, the default was a multi-year contract to start.

Of course for early stage companies, it may be hard to get multi-year contracts from customers because the company and product are unproven. But if you can get it, it makes a big difference.

- Why is this important?

There are many benefits to multi-year contracts and very few downsides.

For one, cash flow: If a customer is paying upfront for a year of service, then you're constantly collecting ahead of spending the money to deliver the service. You can spend more of your time driving value with the customer vs. always talking about the next renewal, which can make the conversations feel too commercial.

If you have 1-year contracts with every customer, then you know that 100% of your customers are up for renewal every year. If you have 2-year contracts, then only 50% are up for renewal each year.

Then you can have your team spend a lot more time talking to the customer and focus on increasing adoption of the product, fixing friction points, etc.

If you have the ability to include a natural price increase in the contract for inflation, new capabilities, etc, then it gives you the chance to predictably have some growth in revenue every year that's contractually agreed upon.

The downside to multi-year contracts is that your product will keep getting better and more valuable, and you may be foregoing future revenue for the sake of locked-in revenue today. The other challenge could be that depending on the market you're selling to (i.e. very small business) and/or your company's stage (i.e. if you just started and nobody knows who you are/you have no referenceable customers) you may end up adding too much friction to the sales process when you need velocity. With that being said, it is something that I would still recommend testing.

- How to implement it:

Start with a 3-year agreement by default. As long as you're in the right segments, you'd be surprised at how many customers happily sign those agreements. By default, agreements should include a 10% increase in price every year. This way, any concerns you have about giving up value in the future as the product advances are built into agreements from Day 1.

43. If you're able to build a true machine, it takes a lot to break that.

- How did I learn this lesson?

At an early company, we were getting leads from all different sources (emails, calls, etc.) We spent an ungodly amount of time trying to figure out how to quickly ingest and centralize them after we received them. Once we figured it out, that system remained in place for six years, unchanged.

Next we built machinery around onboarding. We created a robust new hire bootcamp with daily onboarding sessions and quizzes, which was also in place for six years. After that, we built machinery around reporting. We figured out how to integrate data from all different systems and set up a regular reporting cadence.

In those six years, leadership changed, the market changed, but none of it broke the machine. It's well worth the investment to get that machinery up and running, humming along as efficiently as possible. The payoff won't happen tomorrow, but you'll feel the benefits for years to come.

Don't underestimate the power of a GTM machine–the repeatability, the processes, the data. When you are able to build a predictable machine–everything from the profiles of who to hire, to the way you enable those people, to the messaging you use, to the stages of the sales process, to the contracting process–it's actually amazing to see it all come together like a well-oiled machine. It almost starts to run itself.

- Why is this important?

Having a true machine lets you scale infinitely faster than your competitors. You get a level of predictability in the business that changes your ability to forecast and therefore plan. Also, having everything rely on individual people is dangerous. As you're building the business, there will be turnover. A strong GTM machine helps maintain business continuity.

- How to implement it:

First, identify where the greatest inefficiencies and opportunities are. Invest in those areas. Document what you're doing. Solidify that and then move on to the

next thing. When you see all the pieces working together in unison, it's something really special and it takes a lot to break that. To implement this, you need a special group of people who have crazy attention to detail.

Operations

44. Get your data in order.

- How did I learn this lesson?

You can't run a business without data.

Understanding KPIs and having a strong handle of data is critical to operating, improving, and mitigating risk in your business.

Having good, clean, accessible data from an early stage is really important. I've seen companies with millions of dollars of ARR that still don't have a single place to get a customer count. They don't have an understanding of their GTM funnel. They haven't been tracking the reasons they win or lose deals. They don't know how many people have left the company and for what reasons. They don't track really basic financial metrics. It's actually surprising.

- Why is this important?

In the early days, it's easy to feel like setting up these systems is extra overhead, and regular reporting isn't necessary. But as the business scales and you bring on more people, you are no longer touching every single element of the business. The only way to monitor it is through data.

As a result, it's important to get your data in order from Day 1. Without data, you can't make decisions, monitor performance, or understand trends in the business.

- How to implement it:

Make sure you have a source of truth for every single KPI and data point. It should be documented and protected so that changes can't be accidentally made to it. Invest in making sure all that data is completely accurate. Come up with the top 5-10 top KPIs per department that you want to look at, and make sure those

are reviewed on a regular cadence. As the company grows, make sure there are owners for KPIs.

45. Keep your paperwork organized.

- How did I learn this lesson?

When we were fundraising for a late stage growth round at BetterCloud, we had to produce the onboarding paperwork from all of the employees we'd ever hired.

There was one document from one person we hired in our second year of business. He was only employed for two months, and that one singular document was an open item with the lawyers from our investor for weeks.

We looked everywhere for that document. Everything else had been completed. We finally found the document in a small cardboard box that we used to joke was our filing cabinet when we first started the company. We used to put it in the ceiling panel to keep it safe back then, since we had no filing cabinets. That box had all the documents, customer contracts, and employee agreements from the very early days. We were so lucky we found that box.

It made me realize that next time, we need to have our paperwork organized from Day 1.

- Why is this important?

There's a high likelihood that financing will require paperwork from the early days that you don't care about. Keeping paperwork organized is easy when you have five customers and two employees, but less so as you scale your business. Good hygiene pays off.

- How to implement it:

Try and standardize everything. Organize and centralize everything digitally to the best of your ability. Make sure you have access to all the files. Even if it's not perfect, knowing that it's centralized in one place helps down the line.

46. Keep your tech stack simple.

- How did I learn this lesson?

We've seen firsthand how SaaS apps have proliferated over the years. Today, the average company uses 100+ apps. Now, a decade into the SaaS explosion, there are great products that do a variety of specialized tasks.

But the more you can simplify the tech stack early on, the better. As much as best-in-breed makes sense, people don't even use the products to their full extent.

- Why is this important?

Standardization and simplification in tooling reduces expenses, but also friction in an environment that can't afford it. You have to be very nimble and move quickly.

It also results in better security because it limits what you have to secure. A small company won't have IT or security resources, but you're still at risk. A simple tech stack means fewer attack vectors. The fewer places where sensitive data is living, the better. The fewer number of super admins, the better.

- How to implement it:

If you have video conferencing included in your core collaboration suite, use what's there. If there's a product that's a glorified spreadsheet, use a regular spreadsheet instead. If you can standardize on make/model of laptop, do that. In the early days of a company, is Slack so much better than Google Chat that it's worth buying separately? Probably not.

Growing, evolving and staying sane as a CEO

47. Don't be fooled by how perfect other companies look. Every other CEO is having issues too.

- How did I learn this lesson?

This “Instagram age” we live in makes everyone’s lives and businesses look amazing. When you go on LinkedIn, it’s full of posts about people winning awards, welcoming new superstar executives, and raising impressive rounds of financing. Everything seems to be up and to the right. For many years, whenever I’d go to founder/CEO events and ask people how they were doing, the response was always, “Great! We’re crushing it.”

The reality is, everyone has some kind of struggle. Everyone is dealing with challenges. Everyone is stressed.

Even though I’ve lived this for two decades and I know that nobody has it easy, I still forget that all the time. I’ll be talking to a CEO friend who’s growing 100% a year at scale, and I’m envious because it seems like they’ll never stop growing at that pace. Then they tell me that they’re growing 100%, yet they’re losing money faster than ever and will have to raise money in three months–but the market is so terrible that it’ll still be a downround on the last round.

On the other hand, I’ll be speaking to a founder who is 10 years into a bootstrapped company, owns 100% of their company, and is growing slowly but is profitable. But they too are stressed because they haven’t been able to afford a single real executive and they bear all the stress of running the company by themselves.

It reminds me of a quote that one of our advisors once shared with me at an offsite:

“In fast-growing companies, you’re always either entering a storm or leaving one. You should be aware that you’re not the only one who’s having those kinds of challenges.”

That quote really stuck with me. After he told me that, I started to be a lot more open about my challenges–both as a business and as a founder. I wasn’t afraid to talk about them publicly (this Forbes article describes how BetterCloud was “near death” in 2017). I began attending founder support dinners in New York City, which was very therapeutic to me. Every single person there–regardless of company size, growth stage, money raised, or experience–was facing real challenges. It wasn’t just me.

- Why is this important?

Everyone has imposter syndrome. The perfection on social media can make it worse because it feels like everyone else is thriving while you're failing. It's not worth the cycles to compare yourself to others. Know that everyone else is having challenges. Just deal with yours.

- How to implement it:

Find a network of founders, whether it's through investors or your local network. Talk to people who are in a similar position, and be open about what you're dealing with. Even if you don't have solutions, it's therapeutic. If you can find an advisor who has been through what you're going through and that you feel comfortable with, they can be an amazing outlet for you. I've never used a CEO coach but I know many founders that do. The point is that it's important to have people to talk to.

48. Your role as founder CEO will transform many times as you scale.

- How did I learn this lesson?

As BetterCloud scaled to 300+ people, I realized that my role as CEO changed throughout each growth phase. Each time, it required new skills, responsibilities, priorities — and it felt like I had to reinvent myself each time.

My role as CEO evolved like this:

- The Player Coach (1-40 people). Depending on the day, I was the office manager, a sales rep, a customer support agent, product manager, or IT manager. I had the added role of pointing everyone in the right direction. There was hardly any intentional strategic planning happening; the farthest I could really think was a month out. It was a flat organization.
- The Frontline Manager (40-100 people). I started doing one-on-ones more regularly, giving people feedback on their career growth opportunities at BetterCloud. More Player Coaches emerged. I was able to start thinking and planning about a quarter out.
- The Context Switcher (100-300 people). I became a mix of a Frontline Manager and executive based on which department I was interacting with. This phase was probably the most difficult time for me. It was the most context switching I've had to do. Meeting topics would range from a

customer feature request, to a full department restructure, to office expansion plans.
- The Value Multiplier (300+ people). My primary job was to be a communicator, constantly reiterating our values, our culture, our wins, and our vision. I made sure my exec team had what they needed to be successful, and were operating against our vision.

For a more detailed look at how the role evolves as you scale, you can check out my LinkedIn post here.

- Why is this important?

Adapting your skills and approach, and knowing how to manage within these stages, is critical as you scale.

In the early days, you'll be hands-on in every aspect. But eventually you'll find yourself focusing more on strategy, vision, and ensuring the right team is in place. To scale effectively, you have to make sure your exec team works well together as a high performing team, and steer the company toward your North Star.

You have to be comfortable not knowing all the tiny details anymore (like every little feature being released into the product, every prospect in the pipeline for the quarter, or every open role). You won't be able to see the impact you make on a daily basis anymore. But if you spend your time correctly, you can make a much bigger impact. You can spend more of your time talking to customers and partners, working on game-changing partnerships, or recruiting world-class executives to help you scale.

- How to implement it:

Stay flexible and open to adapting your leadership style over time. Anticipate the need for different leadership approaches at various stages, from direct involvement in early stages to a more visionary role in later stages. Put a high performing team in place so that you can focus on your long-term vision and communicate it out.

49. Spend quality time with your direct reports at offsites.

- How did I learn this lesson?

For a long time, I never saw the point in doing exec offsites. We had enough time to think through strategy in our weekly meetings. We knew each other well enough from working alongside each other in the office for years. We made time to have some fun when we'd go to the occasional dinner. Wasn't that enough?

But then one year, my CFO pushed me to do an offsite for strategic planning purposes, and we've been doing it ever since. That time we spent together really took my relationships to another level.

The ideas that came out of those offsites were ones we'd never come up with in a 3-hour meeting in the middle of a crazy day. Similarly, the connections we were able to build were much deeper and more meaningful than if we'd just met through Zoom.

- Why is this important?

Spending quality time with your exec team allows you to understand them in a different way and ultimately build trust.

The best teams have developed a high level of trust. If I asked you, "What's the best team you've ever been a part of, and why?" Almost everyone's response–whether it's a childhood sports team or work team–is rooted in trust. Not surprisingly, that trust takes a long time to build. It takes these close-knit, intimate types of sessions to build it. These offsites are as much about strategy as they are about understanding that person who's in the trenches with you.

- How to implement it:

Really make the time to do offsites. Carve out uninterrupted, dedicated time with your core team to do the team-building exercises that you can't do over Zoom.

Use the time to do work, but also do work on yourselves as a team. Some exercises over the years have allowed us to create deep bonds that will outlast our tenures. Here are two exercises that I particularly liked:

- Put every exec's name at the top of a sheet of paper. Go around and anonymously write down each exec's superpower on their page. Then everyone votes for each person's top three superpowers. At the end, have

each exec read their superpowers aloud. When we did this, you could tell everyone felt like their skills were seen and valued.
- Every person submits two facts about themselves to the moderator that no one else in the room knows about. You can't find these on LinkedIn, Twitter, etc. Then they are read aloud, and everyone has to guess who they're about. The person then explains and shares more about themselves. When we did this, it gave everyone a more personal, intimate understanding of each other.

If you really open up, you can learn so much about your team and create that trust, which is very powerful.

50. 360 reviews of yourself are important because feedback is a gift.

- How did I learn this lesson?

In my career, I've had four in-depth 360 reviews done. And every single time, it's the most eye-opening experience. It's incredibly valuable, especially if you've never done anything like it before.

The first time I did it and received feedback about myself, I probably read it seven times. I was upset that people thought I had X weakness, that I scored low here or there.

But then I actually decided to share the report back with the exec team. I told them plainly, "Here's the feedback I got, and here are the three things I'm going to improve on between now and the next 360." That made me accountable to the team. It also set an example for how they should respond when they received their 360 feedback (i.e., being actionable about it, not combative or argumentative).

Honestly, this kind of structured and honest feedback is a gift. You get to learn things about yourself–how you're perceived, where you're the strongest and weakest. Whether you agree with it or not, perception is reality.

- Why is this important?

I feel like I often ask my team, "What can I help you with? What can I improve on?" But even if your team is strong and trusts you fully, they probably still won't give you the kind of direct feedback you need to keep improving and growing.

That’s why the 360 feedback is a gift. You’d be surprised by how many blind spots you have, especially as CEO. People don’t tell it to you straight.

- How to implement it:

I strongly recommend hiring a third party to do the 360 review for you. One year we found an HR consultant to do it; another year we found a graduate student. The key is to find someone who can deliver the feedback in an unbiased, neutral way. You want your execs to be 100% transparent and know that their answers will be kept confidential.

I suggest asking both quantitative and qualitative questions, which is how we did it. Example questions are: How aware is [CEO] of his weaknesses? How direct is he in his communication style? How much do you trust his decision making? We also included open-ended questions about top strengths and weaknesses.

It’s best to do a 360 review annually, but if it’s once every few years, that’s fine too.

51. Don’t be afraid to be transparent about the good, the bad, and the ugly with everyone. It takes stress off of your shoulders.

- How did I learn this lesson?

At one point, early in my career as a young CEO, we were losing a lot of money.

Externally, I felt like I had to keep a positive face and keep up the “rah rah rah” energy. But internally, I was scared about how much money we were losing. I was so stressed, I lost a lot of sleep over it. I remember hoping to find a way to delay our vendor payments long enough to get revenue in, to cover those expenses. It created a huge backlog of expenses.

When I finally told the investor about it, they said, “We were going to need to put in money anyway. But since you waited so long to tell us, now there’s a rush to put in the money, and you’ve put the company in the worst position. It would have been better if you’d kept us informed.”

Another time, a large competitor was eating into our business. Again, I was so stressed out, I wasn’t sleeping. I was consumed with trying to solve this myself, worried that my team would freak out if they knew the extent of it. What if they

knew we missed our revenue this quarter? What if they knew that investor meetings weren't going well?

I finally shared the news with one of my senior execs. Surprised, he asked, "Why aren't you sharing this stuff with the team? Why aren't you asking for help?" He made a point that I hired him and the other execs exactly for this reason: to help with these kinds of problems. Plus, he said, other people at the company might have a solution too.

He was right. Once I shared the news more broadly, there were at least 10 ideas on how to solve for that competitor. Going forward I changed the way I communicated with the company and my execs, sharing probably more than necessary.

- Why is this important?

I'm not exaggerating when I say that all of those experiences took years off my life. If you internalize the stress, it'll eat you from the inside.

As a founder, I know it's hard to speak openly about the challenges you're facing. You don't want to admit fault, you're afraid it signifies you're not doing a good job, the company is your baby, etc.

But when you start to actually share that information, it's extremely powerful. Not only because you feel relieved, but also because you get surprising solutions from people and places you hadn't even thought of. In a weird way it's a selfish thing to do, but it also helps the business be more successful.

- How to implement it:

When you're sharing information–whether it's in your all-hands, ELT, or board meetings– make sure you're covering the good, the bad, and the ugly. It's helpful to give that disclaimer too, so people are prepared to receive the information. If it's confidential, emphasize that trust is a two-way street: they trust you to be transparent; you trust them to keep things confidential.

Also, you'll be speaking to audiences of different seniority, experience, areas of expertise, etc. Know your audience. Ensure that your delivery and content is aimed at the right level.

People can only consume so much information, so only include the most critical, salient points. It's good to share things but don't overwhelm people either (I've

been guilty of swinging the pendulum too far). It's a balancing act you have to master.

52. You set the pace and tone of the company culture. If things aren't moving fast enough, look within first.

- How did I learn this lesson?

I was recently talking to a friend who just took over as CEO of a company.

"Every quarter, I have to get up in front of the whole company and get them amped up," he lamented. "If I don't, then they start to fall flat and they don't deliver."

"That's true," I said. "Whether you like it or not, you set the tone and pace for the company. They're looking to you for that. They'll follow your energy."

I realized this one day when I was sitting in my office. I was feeling mildly stressed about something, but had my head in my hands. Someone saw me–my office had transparent glass walls–and asked, "What happened? Is the company okay?" They thought a major crisis was happening, based on how I was acting. You don't realize how closely people are observing you and your body language. It might not seem like they're paying attention, but they're looking to you for cues on how to feel and behave.

- Why is this important?

You're leading by example… for everything. Whatever you do–if you live up to your company values, if you embrace work-life balance, if you meet with top performers–then your team will follow suit. You are the one who sets the tone, pace, and culture for the company. It's amazing how much the company ends up being a reflection of you.

What surprises me is when I see founder/CEOs who want to have work-life balance but expect their team to work all hours of the day and night. That "Rules for Thee and Not for Me" mindset doesn't work. You should behave how you expect others to behave.

- How to implement it:

It starts early on, but you have to decide what pace you want everyone working, and then do that yourself.

If you demonstrate work life balance–working 9-5, taking weekends fully off–then everyone else will start to conform to that. If you are the person who is always on, sending emails around the clock and doing calls on the weekend, then you need to set that pace. Neither is right or wrong, but just know that people view it as an expectation to work that same way. Make it a part of the culture and don't be shy about it. Ensure that it's discussed in hiring interviews (back to Lesson #1). If people don't agree with that way of working, then they shouldn't join.

53. Get comfortable speaking publicly.

- How did I learn this lesson?

You've probably never met anyone who was more scared of public speaking than I was. When I started BetterCloud I could speak in front of a small team, maybe 10 people max. But as soon as I got in front of 20-50 people, I shut down. I would get on stage, speak for five minutes, and basically get off stage and wonder, "I hope that was good. I think I blacked out."

I realized that as the team was growing, if I was going to be the face of the company and build excitement for what we were doing, I would need to become a better public speaker.

Twelve years later, I've done a complete 180. I love public speaking.

I didn't take any classes. Instead, I watched people who were great public speakers (e.g., friends at weddings, people on my team, other presenters at conferences). I didn't just admire them though. Afterwards I asked them, "What are your secrets? How are you so good?" That was the beginning of the change for me.

Their tips were simple (everyone's nervous, don't try to memorize an exact script, speak from a place of authenticity). I took those tips to heart and began practicing more and more. Whereas before I'd avoid speaking publicly, I started to actively seek out those opportunities.

I'm still not great at it; I'm sure there are many people better than me. But today I can get on stage in front of thousands of people and actually enjoy the experience. I know how to speak passionately and clearly about a topic and keep the audience engaged.

- Why is this important?

Whether it's speaking publicly in front of your company, customers, investors, etc., you will be put in those situations as CEO. If you're going to be the evangelist for the business, you must be good at it. Public speaking skills make a drastic difference in your ability to excite, motivate, persuade, and inform people.

- How to implement it:

Don't shy away from opportunities to speak publicly. Throw yourself into the fire. The more practice you get, the better you'll be. Watch and study good public speakers. If you can, ask them for tips.

54. A good executive assistant (EA) can make you 10-20% more efficient/effective at your job.

- How did I learn this lesson?

For most of my career, I never had an EA. But soon my calendar was getting so crazy that I was showing up unprepared and late to meetings, and my wife didn't even know when I was traveling for work.

Our head of people at the time came to me and said, "You need to get an EA who can help you organize your schedule and make sure you're on time."

But I was hesitant. Was managing my calendar really a full-time job?I figured it was easier if I did it myself, because I know my own preferences (I've heard this same thing from at least half of the CEOs I've been advising).

Eventually we did hire an EA. And I did see how much work could be taken off my plate (for example, scheduling a year's worth of board meetings with three major investors or coordinating travel for a 3-city customer tour takes real time and thought).

But the real turning point was when I heard John Chambers, the former CEO of Cisco, speak at a conference. He told us that his EA not only organized his day, removed work from his plate, but more importantly made him 10-20% more efficient/effective every day.

That was the turning point for me. And my EA at BetterCloud — who I worked with for more than six years — did exactly that.

She not only handled all my travel and calendaring, but she also coordinated all our all-hands, ELT meeting and offsite. But it was the daily digest that she sent me and the work that went into putting it together every day that really made the difference.

Here's a real example of what that digest looked like:

(link to hi-res file)

She'd make sure I understood who I was meeting with, the context, the last time I met with them, etc. She would chase everyone down to get one on one agendas complete the day before the one on ones. She also served as a gatekeeper, ensuring I was only attending essential meetings.

Over time, she became a trusted sounding board. She was able to give me a pulse on company sentiment and help me understand how people were feeling.

- Why is this important?

Time is the most valuable asset you have. And if you're like me, your days are packed full from 8am to 8pm, you're traveling, you're constantly context switching. People are always asking for your time.

Having an EA to help you make better use of your time is a game changer for your productivity and peace of mind.

I no longer had to think, "Did I get that 1:1 doc from the exec I'm meeting with tomorrow?" "Have I met with this person before?" "Where do we stand on the board meeting schedule?" When all of those things are taken care of, it's extremely powerful.

- How to implement it:

The key is to find someone you trust 1000%. Setting expectations around trust is critical. There's nothing more important than the trust between a CEO and their EA. It's the only way to make that a successful relationship.

You want someone who enjoys behind the scenes and can handle complex logistics, but also has the ability to push back and wield authority. Finding a great EA isn't easy, but it's a critical hire and should be treated as such. They take care of the tactical work, but they have the ability to become a force multiplier on your productivity.

55. Luck is a big part of success.

- How did I learn this lesson?

I've met so many founders and entrepreneurs who've had outsized successes. What I've learned is that luck is a bigger part of the success equation than any of us would like to admit.

Did you start your company at the right time? Was it an "easy" fundraising environment? Did you start the business before one of the tech juggernauts entered your space? Did you hire a couple of superstars? Did you happen to build a business that mapped perfectly to the timing of a Gartner Magic Quadrant so you were the leader by the time the MQ launched? Did someone important at a big company have a strategic priority to get into your space and was willing to overspend to buy it? Were multiples inflated at the time of exit?

So much of luck comes down to timing. If you're in the market when companies are being valued at 100x revenue, a $4m business can be sold for $400m. But if you're in a down market with high interest rates and low multiples, that same $4m company is worth sub-$50m.

Likewise, there were companies that released physical office management products right before the world went remote during Covid. Then there were companies that released "nice to have" products that exploded as soon as everyone started working remotely. That timing is just pure luck.

All in all, there are a lot of things that have to go your way in order to take a business through all the stages "successfully."

- Why is this important?

It's important to remember that you don't control luck. You have to put all the other things in position to win, and hope that you have luck on your side.

- How to implement it:

Obviously you can't engineer luck, but if it makes you feel better, embrace a few good luck superstitions and hope that you attract some luck along your journey.