



Looking back on your career, what advice would you give to a startup CEO?

So many ambitious new CEOs are all about the numbers and how they relate to the opportunity that lies ahead. They focus on how much capital they should raise, how much they should charge for their product/service, and most importantly, how much revenue they expect to collect. All of those numbers and strategy decisions are important, but there are other – less tangible – considerations that can have a much larger impact on success. In my experience, there are four concepts that can help turn a good start-up with a good opportunity into a great one.

- Focus
- Customer Psychographics
- Prioritization
- Curiosity

If a new CEO studies these concepts and masters them, the numbers will come.

Focus

New CEOs are under a tremendous amount of pressure. From developing strategy and managing cash to hiring the right team and exciting investors, their attention is scattered and their time is limited, making it difficult to meet the needs of a broad set of responsibilities. The

trick is to focus – to take an opportunity, focus on a niche, and do it better than anyone else.

When researching target markets, determine which segments present the best chance of success and focus the company's efforts there. The goal is to be the big fish in the small pond instead of the little fish in the big pond. Once established as a leader in a niche market, it's easier to pursue the next segment and grow the overall opportunity.

Customer Psychographics

When introducing disruptive technology or solutions, it's critical to look at customer psychographics in addition to demographics to understand which customers give you the best chance of closing a deal.

In general, there are many types of technology buyers, but it's important to recognize the visionaries and pragmatics. Visionaries are game changers. They are confident – less worried about risk and eager to reap rewards. They are comfortable taking a raw, unproven product and customizing it to fit their needs, both to prove that they can and to gain a competitive advantage. Pragmatics, on the other hand, worry about unproven technology for fear it will put their jobs at risk. They want to implement best practices that are backed by references, case studies, and a solid ROI.

Understanding buyer personalities and knowing which type of prospect you are targeting during the varying phases of the product lifecycle will help shape your marketing strategy. New start-ups will be targeting visionaries first, as they are the buyers that facilitate initial market penetration. As the product matures, selling efforts switch to pragmatics. During this phase of the product lifecycle, the technology is proven and thus poised for revenue growth. The differences between these buyers will require almost opposite marketing strategies.

Prioritization

It's a fact: startups have way too much to do. An effective CEO must understand this and prioritize both strategic and tactical initiatives. Without direction, employees get frustrated when

they are faced with multiple initiatives, don't know which to do first, and aren't able to do all well.

Effective prioritization involves making a list of high priority initiatives. Most CEOs stop here, but the real value comes in when each priority is weighted. Doing so empowers employees to make decisions about trade-offs during the normal course of their day and enables a more efficient organization when the CEO doesn't have to get involved in every miniscule decision.

Objectives, priorities, and weights should all be formally written and agreed to by both the CEO and his/her staff to gain a two-way commitment and eliminate any ambiguity. For the employee, this reduces stress. For the CEO, it allows the corporation to be more predictable when specific results are expected.

The most fascinating part of prioritization is the culture it creates. Instead of attacking each other when someone is asked to do something outside of their objectives, the culture trains employees to look for answers by evaluating the process:

- Does that request support our objectives?
- Did we change priorities?
- Is there something that is more important today than what had been agreed to before?
- How can we improve the process to improve our results?
- Do we need more education on our priorities or process?

A great majority of employees come to work to do their best. Creating a culture with clear, prioritized objectives and a way to manage conflict enables them to do it, thus maximizing their input on company performance.

Curiosity

Most CEOs are pretty smart – but the best ones know they do not have a lock on knowledge.

It's imperative that new CEOs make a conscious effort to remain curious. It would be a shame to limit the potential of a company's success to the CEO's vision alone.

The best way to do this is through consistent and ongoing questioning of customers, employees, and investors. Ask open-ended questions such as:

- What can we do to grow the business faster?
- What more can we do for our customers?
- How can we improve our processes?
- How can we make you (our employee) more productive?
- What would be an ideal solution?
- What do you think?
- Can you tell me more?

The compounding of ideas from these sources is the path to true innovation. An added benefit is the effect it has on employee satisfaction. If a culture of curiosity is established by the CEO, employees love going to work because they feel that they are respected and contributing to the company's success. Furthermore, exploring new ideas creates business value for customers and a higher return on investment for investors.

As technology continues to accelerate at breakneck speeds, start-ups will continue to emerge – and to fail. CEOs have a blank slate on which to build their business. Product and numbers matter, but so does the way the company is structured. Start-ups with a CEO that focuses on the target market, identifies the type of prospects they are targeting, sets clear objectives and continually seeks new ideas are positioned to be a company of distinction.

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