Gain Momentum in the First 100 Days. Or Else.

The first 100 days of a new venture is when some of the most important decisions are made, and when some of the most important accomplishments are achieved. It's also when the biggest mistakes occur. At a time when companies live and die at "Internet speed," if you haven't made your mark during your first 100 days, chances are, you never will.

Whether you're a one-person shop operating out of your garage, or you've just nailed down a $10 million Series A round from a Sand Hill VC firm, the first 100 days is where even the most seasoned entrepreneurs make a lot of critical missteps.

Wes Siegal, managing partner at Schaffer Consulting, says that one of the biggest challenges for entrepreneurial leaders is avoiding a habitual drift into a management mindset. Siegal describes this misstep as "managing by activities," rather than "managing by results."

"It's easy, especially for someone, who has just raised capital, to fall into an idea of scheduling milestones and deliverables and distributing accountability for the work to different people on the team," Siegal said. "But there is a failure often times when they do that, to stay focused on how all of these elements need to work together for the business to work as they envisioned, and to be able to catch signals as early as possible that would drive a pivot."

Siegal says that goals that force people on the entrepreneurial team to collaborate are much more powerful than the higher-risk, but more common approach of "simply asking one person to develop the product, asking another person to develop a marketing approach or technology, and so on - hoping that it all comes together."

Momentum is a fuzzy term.

Entrepreneurs often speak of establishing "momentum," but it's a fuzzy term. We all know it's important. We understand that we need to build up a head of steam to succeed, but when it comes right down to it, entrepreneurs often don't really know how to define momentum, much less achieve it, and use it to drive measurable, rapid results.

"Momentum has to start with a sense of progress," Siegal said. "And that progress has to be perceived as being important. What we're really talking about when we speak of momentum is how to build on and scale from early results. There's a critical psychological component, which is a sense of confidence. In psychology, they call it efficacy, which is a growing sense that we can achieve our goals - that the goal is now within our reach."

Jason Williams, CEO of Loan Cheetah, says the first 100 days are especially important in the realm of Internet companies.

"Things move quickly. During our own startup phase, we saw first-hand that if you're not already achieving measurable results during your first 100 days, you lose a lot of momentum and will face a more difficult battle in trying to gain traction," Williams said.

He notes that for his company, his early goals included building a transactional website and making sure the backend worked flawlessly.

"We realized early on, that a transactional website, no matter how beautifully done, can quickly get lost in the shuffle if you're not getting the word out and letting people know you exist. It would have been easy to spend every day working on the website, but we felt it was also important to set achievable marketing and visibility goals as well," Williams said.

The same holds true for companies launching into new markets. Elastic.io has seen strong momentum since its European launch and wanted to replicate that experience in the U.S. marketplace.

“The first 100 days were critical to launching a U.S. campaign,” Renat Zubairov, CEO of elastic.io, said. “During that time, we were able to establish a digital footprint; gain U.S. media attention; establish key distribution partnerships for our white-label service; and attend some of the most important trade shows and tech events in major U.S. cities. Having definite goals was part of the process, as was working closely with a U.S. based marketing partner.”

“We can’t do that yet.”

During those first few months of startup activity, it’s easy to put things off because all the pieces aren’t in place yet, and delays are common.

According to Siegal, this is a very common psychological trap.

“It’s easy to take obstacles, and turn them into reasons to wait. But often, it’s just a psychological reason, and it creates a comfort zone.”

An important part for entrepreneurial leaders to play is understanding how to embrace challenges and delays, and instead of putting things off, adapting their 100-day goals to keep moving forward.

“It’s very hard to shift the culture if you’ve gone through an initial period of just getting the lay of the land, Siegal said. “It’s hard to create an action orientation if there’s been a period of inertia.”

When a delay presents itself, startup entrepreneurs need to recognize the obstacles, and then turn them into a new challenge that needs to be worked toward, instead of allowing it to be a reason to wait.

Another common trap is getting bogged down in mundane tasks.

With any new business, there are a lot of routine things to do, such as buy office furniture, set up an accounting system and common IT tasks, like configuring servers. Granted, a new entrepreneur will feel a sense of accomplishment looking out at the newly furnished office.

But if the entrepreneur is spending too much of his or her time putting together IKEA desks and bookshelves instead of leading the team toward accomplishing measurable strategic goals, then the company fails to gain that early momentum and will struggle that much more to launch once there are no more desks to assemble.

“It’s part of the psychological trap of an obstacle that lets you hang out in your comfort zone,” Siegal said. “It’s a lot more comfortable for us to choose the really cool office furniture and the communications technology that we’re going to use to keep in touch. Those things all need to get done, but it’s important for leaders to make sure they are allocating their time in a more disciplined way.”

Manage by results.

While it is common for tasks and goals to be put off, another common mistake is kitchen sink management.

Faced with the overwhelming specter of having to build an entire company from nothing, it may seem as though the tasks at hand are endless, and the new entrepreneur may put in endless 16-hour days in a futile attempt to do everything at once.

Even with a support team, the kitchen sink approach can be disastrous when an entrepreneur engages in delegate-and-forget management.

According to Siegel, if a new leader finds herself managing according to status reports and trusting other people to go forward on independent work streams, that's a red flag that there's too much being managed, without enough focus on delivering critical results through everybody working in a more integrated and coordinated way.

There is a balance to be achieved, and Siegal recommends taking three to five near-term goals as the immediate dashboard for the company.

"That will be much more powerful than managing by activity and tracking progress on multiple assignments that have been given out to different functional team members."

Too many projects going on at once, at the onset of a new venture, leads to unfinished projects. Some of those projects are bound to veer off-track, especially during those first few formative months, when you may be unsure of direction, or may have made a certain set of assumptions that don't fit with early results.

"Initiatives during the first 100 days are often based on hypotheses about how the business will succeed, but once the team gets going, they may discover that the market doesn't have the characteristics they expected or the competitive landscape is different," Siegal said. "There are moments we have to pivot, because we're learning more. One way it can go off the tracks is if we're too orthodox in holding onto assumptions, when we're starting to get data that suggests the hypothesis that stimulated the rapid results wasn't valid."

Rather than simple updates and management reviews of allocated tasks, Siegal recommends using management review discussions not to review the status of all those different streams of activities, but to see what progress is being made toward the three to five 100-day rapid results' goals.

"Is it progressing the way we expected it to? If not, why? What are we learning? A leader can't be afraid to pull the plug on a results' challenge or to radically shift the character of the challenge because we've learned something new about the market, technical viability or an opportunity we weren't aware of previously," Siegal said.

About the Author

Dan Blacharski is a thought leader, advisor, industry observer and PR counsel to several Internet startups. He has been widely published on subjects relating to customer-facing technology, fintech, cloud computing and crowdsourcing. He lives in South Bend, Indiana with his wife Charoenkwan and their Boston Terrier, "Ling Ba."

References/Further Reading

Results In 100 Days: No Honeymoon for New Executives

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