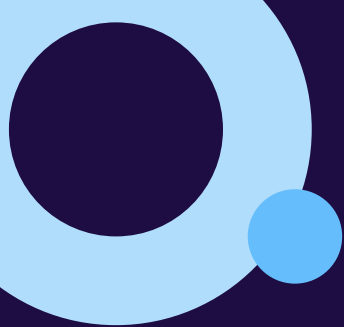


A Startup's Guide to Intentional Growth





PUT YOUR BEST PLAN FORWARD:

Your guide to intentional team and company growth

Most fast-growing startups dream of becoming leaders in their industry. Yet, startups too often (and too quickly) flounder and fail as a result of rapid and disproportionate growth.

A 2019 article in the Harvard Business Review argues that companies, particularly those in their early stage, very rarely “think critically about the strategic principles” necessary to grow.

“Your growth strategy should fit where you are in the moment,” says Brian Rothenberg, partner at defy.vc. “At each stage, you should be focused on different targets, according to your customers, your resources, and the data you’ve collected.”

Each stage of growth will bring its own struggles and successes, but you can better navigate each phase by being intentional about the choices you make regarding planning and grounding those decisions in data-driven insights.

Why intentional growth matters

Being intentional about what you want for your company and where you want your company to go gives your teams a goal to aim for, and it can also inspire confidence in your company's ability to get there.

Clearly communicating your company vision and growth plan can go a long way in rallying employees around that future state. But simply saying where you see your company in five years isn't enough—you need to show your teams the path you believe can get your company there.

That's exactly what one CEO of a high growth startup did. After presenting his growth plan to the board, he showed the same org chart to his 48 employees.

"Everybody was excited to actually see, 'Okay, it's not actually this pie-in-the-sky vision to get from here to there . . .

tactically this is how it's going to happen,'" he says.

Having this clear plan helped the teams have constructive conversations about the steps needed to reach that future state.

Intentional growth also helps your company scale sustainably. Starburst, an analytics startup, found their marketing team hadn't grown at nearly the rate as the sales team. Because marketing helps connect potential customers with sales reps, an imbalance meant fewer prospects for sales to pursue. Identifying this issue allowed Starburst to adjust its hiring goals and bring on more marketing team members to better support sales goals.

When you approach growth in smaller increments, you're better able to assess how decisions impact your company as a whole and make corrections as needed.

How your company can be intentional with your growth

Laying the groundwork for intentional growth is crucial in your company's early stages, and that's why we've put together this guide with best practices and strategies.

01 Start tracking data on day one

In order to start making smart, data-driven decisions, put some solutions in place that track crucial data points. Take people analytics, for example.

According to Deloitte's Global Human Capital Trends survey, **84% of companies ranked people analytics as the second most important trend for their workplace.** These analytics cover recruitment, hiring, promotion, and retention, and should always include diversity, equity, and inclusion (DEI) metrics.

Observing these data points over time helps you determine whether your company is making the right strides toward growth—and how to respond if not. If your company hasn't been as diligent with tracking data or hasn't had the means to in the past, fear not. Platforms like ChartHop can import people data from all your HR systems, giving you a centralized location to view and analyze your data.

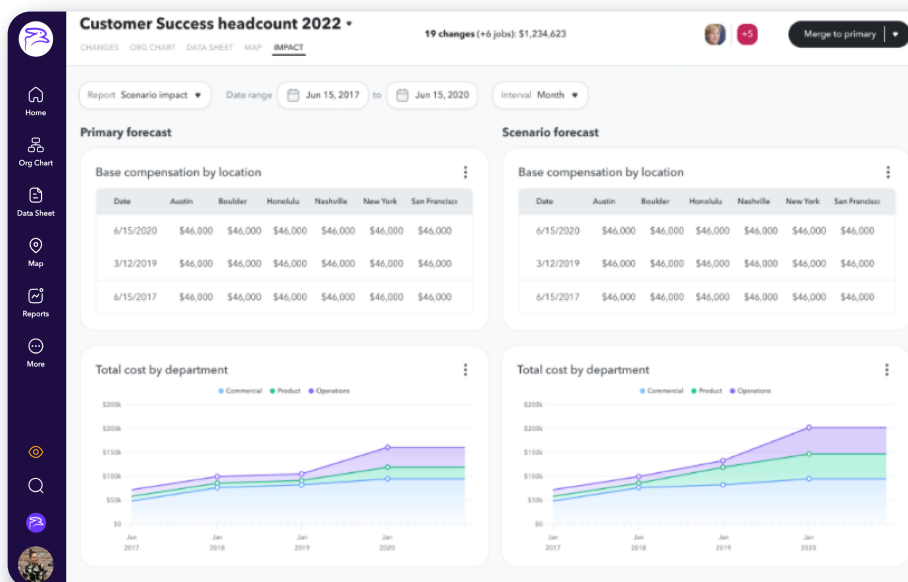
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Achieving DEI objectives requires no more and no less than the use of the same planning, feedback, and accountability processes that are deployed to reach targets in sales, product development, and budgeting.

Collecting data is important, but so is your company's ability to interpret that data and pull insights from your findings. Say your “time to hire” data point was longer than the goal your HR team set. Identifying this trend helps your team assess its strategies and look for opportunities to improve the hiring process.

Accurate data allows your leadership to forecast next-step growth—everything from defining your hiring pipeline to calculating ideal span of control. Data can also help ensure your teams make fair hiring and promotion choices, driving DEI initiatives from the very beginning.

“Achieving DEI objectives requires no more and no less than the use of the same planning, feedback, and accountability processes that are deployed to reach targets in sales, product development, and budgeting”, writes Siri Chilazi, research fellow, and Iris Bohnet, professor, at Harvard Kennedy School. “Data drives targeted action and creates accountability in these domains, and so it should in DEI as well.”



02 Build your systems and processes to grow with you

When you are strategic with your systems and processes from the start, it makes it easier to adapt and make changes as you grow.

Anticipating how a team might look a year from now can determine whether certain roles, like a software developer or a customer support tech, should have structured levels. You can be mindful of what criteria sets each level apart (such as years in the industry or leadership experience) and assign salary ranges to each.

Creating these levels can be harder to determine while growing, when the pressure is on to hire people to meet immediate development or customer needs.

But knowing ahead of time how your team might expand, and being prepared for that growth, can ensure you do so in a fair way.

From a logistics perspective, centralizing employee records, critical data, and systems early on can help your team avoid the frustrations of a disjointed, too-many-tools experience down the line.

Even Financial, a startup that offers financial product comparisons and recommendations, struggled with compiling reports for their leadership team.

Having different systems with different data sets meant their HR team spent a lot of time in spreadsheets—nearly 25% of their week—double- and triple-checking numbers for accuracy before sending it on.

With ChartHop, Even Financial centralized their workforce data into a single platform and created customized dashboards for each leader.

The team no longer spent countless hours a week checking the math—ChartHop handled it all. And it's not just their people team that benefited from the solution.

Employees across the company knew they could turn to ChartHop for the most up-to-date data.

“ChartHop enables me to obtain company-wide information faster and more efficiently. Having the ability to pull historical information myself has been very helpful in performing financial analysis,” says Madi Dinaso, finance analyst.

Having the entire company able to work confidently from a single platform ensures that, as the company grows, current and new employees know exactly where to go for the information they need.

03 Identify opportunities to improve efficiencies

Prioritizing efficiency can have profoundly positive impacts on the company as it grows in size and goals and naturally takes on new complexities.

“Big part of what made our early team so successful is we all had that mindset towards automating our job,” says Alex Farman-Farmaian, director of capital markets and strategic accounts at Carta. His company wasn’t the only one.

In a study of workplace automation, Smartsheet discovered that 59% of employees believe automation can help them get back crucial time once lost to repetitive manual tasks.

That was certainly the case for Joe Taranto, HR generalist and project manager at Rémy Cointreau.

Prior to implementing ChartHop, Taranto spent an average of four to five hours a week manually updating the company’s 200-person org chart in PowerPoint. A title change for one employee, for example, might need to be changed in several places. PowerPoint also lacked the real-time insight that other teams needed, resulting in a disjointed planning experience.

“Managers were working in silos,” says Taranto. “They would bring their [hiring] plans into meetings with HR without full context into everything going on at the company.”

ChartHop eliminated tedious manual tasks, saving Taranto roughly \$15,000 a year in previous productivity losses. Any changes made in ChartHop or through an integrated system updated instantaneously across the platform.

These real-time updates ensured that other teams were looking at the most up-to-date data available, allowing them to effectively plan their own team or department headcount.

“What previously would have been discussed in a back-and-forth email thread, a PowerPoint, a drawing, is now presented in a way that enables our team to propose changes that propel our business forward,” says Taranto. This strategic and more accurate approach to planning and hiring has already **saved them \$450k in headcount spend.**

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Be open to natural changes in structure

How you choose to structure your company as a startup likely won't serve your company as you grow into an enterprise. Recognizing that shifts in structure are a given makes it easier to keep an open mind when they arise.

Different structures offer their own pros and cons but can play an important role in how your teams interact. Flat company structures, for example, might work great when a company is small and visibility is easier. As a company grows, however, a flat structure can create bottlenecks when it comes to how team members share information and make decisions.

Wistia loved their flat structure in the beginning. Everyone worked alongside one another, which had a wonderful impact on morale. But as they grew, leadership struggled with the number of decisions to be made. An increasing lack of visibility into everyone's day-to-day work also made it difficult to track who owned which tasks to be accomplished—or if there even was an owner.

In the end, Wistia chose to pivot to a more structured organization.

“Once we gave clear ownership of different parts of the business to specific people and asked their teams to own solving these problems . . . ownership became clear, and we moved faster,” writes Chris Savage, Wistia founder and CEO.

Making this intentional shift wasn't without its struggles. Many employees enjoyed the flat structure because of the autonomy it afforded them, not to mention the ability to

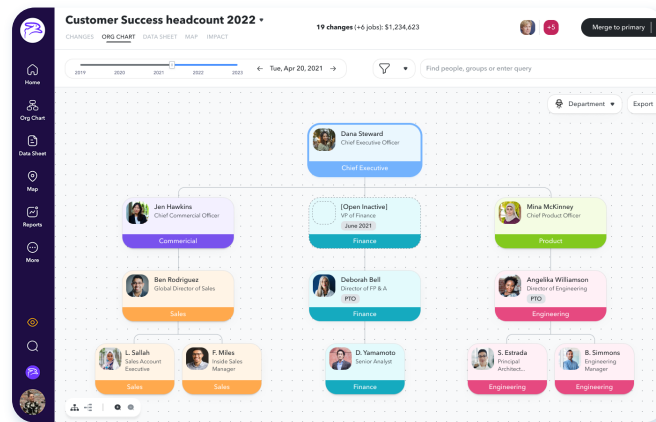
collaborate creatively company-wide.

Knowing these values were foundational to their company, Savage made it a priority to find room for them within their new structure.

“After we adopted a structured

organizational hierarchy, we soon realized that setting clear roles and goals made people even more insanely creative,” writes Savage. “They knew exactly what they needed to accomplish and what resources were at their disposal to do so.”

Having a clear structure in which to collaborate and make decisions, Wistia's teams discovered new and exciting ways to be creative and maintain autonomy. This allowed the company to continue with intentional growth while keeping employee morale and engagement a priority.



Engage your managers as strategic business partners

Recruiting experts to lead and shape your various departments should be a natural next step for any growing company. These individuals bring the wealth of knowledge and experience required to think strategically about their corner of the organization. They can leverage this expertise to ensure department growth aligns with overall company goals.

These experts—often department heads and managers—are also uniquely qualified to speak to the needs of their teams. This includes everything from hiring and promotion to what tools and software their teams need to do their best work. Engaging these resources as you map out growth plans can help your company think strategically about what comes next.

Justin Borgman, founder and CEO at Starburst, recognizes the key role managers play in their planning process. “Rather than me dictating headcount for each team, I’d rather them tell me what they need.”

Borgman uses ChartHop to engage his managers. “Headcount planning takes me almost no time at all because, really, I’m not doing the work at this. It’s the team leads who are really thinking about what their teams need.”

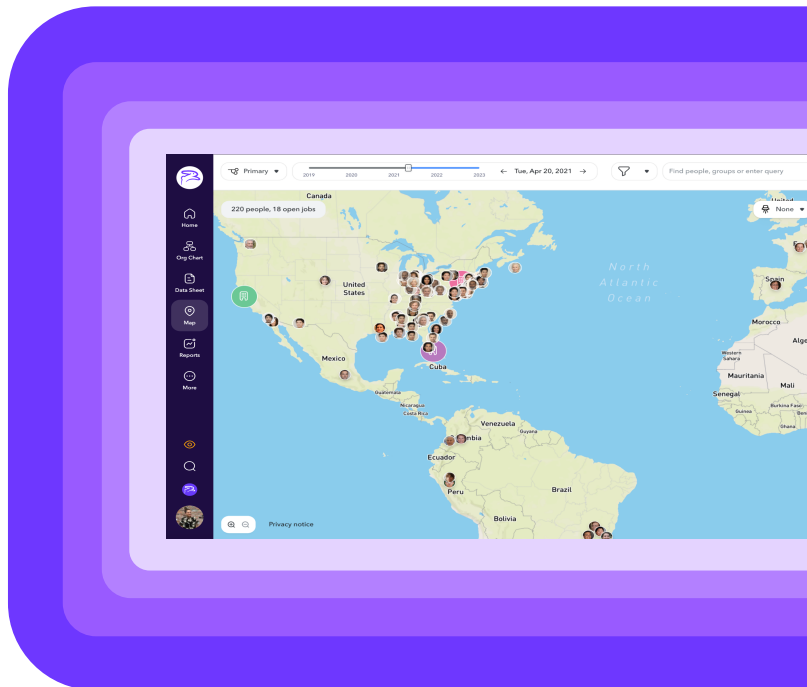
Before, engaging his managers as co-planners would’ve cost the company tens of thousands of dollars in labor. Now,

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managers can leverage the data, reporting, and context ChartHop gives them to build out their team’s future state. They share their plans with Borgman, allowing for further collaboration before he gives final approval.

By leveraging the right solutions, you give your leaders the clarity, context, and data they need to ensure that the decisions they make fit into the company’s big picture.



06

Plan for every-case scenario

Having a plan in place for changes in your company, your industry, or the economy can ensure your company is prepared to tackle whatever comes its way.

Contingency plans help a company anticipate events, both internal and external.

Succession planning, for example, plays a key role in ensuring smooth changes in leadership. Yet, a survey published in Harvard Business Review found that 63% of private companies didn't have a succession plan in place should their CEO exit the role.

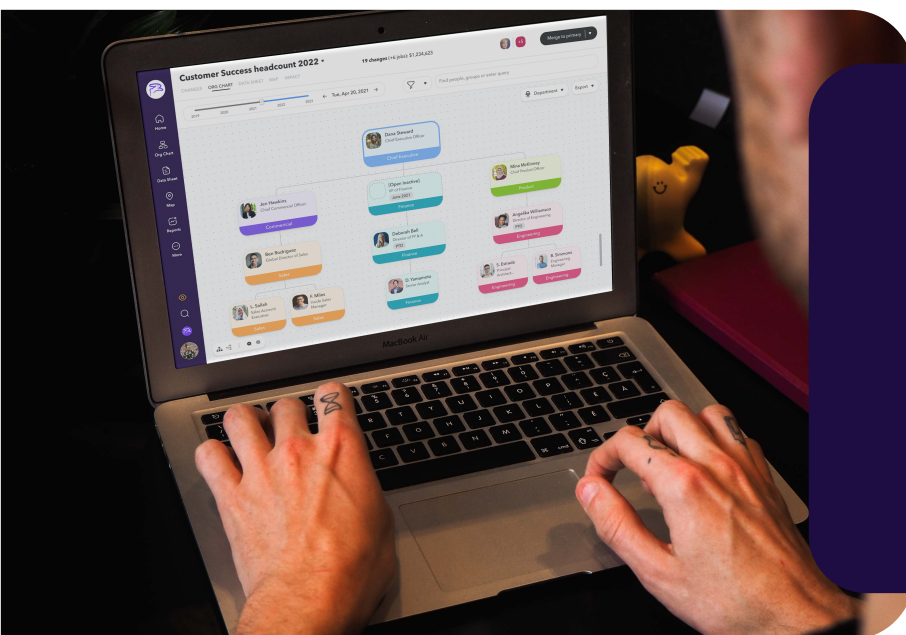
Creating multiple scenarios helps your company view a potential event from a variety of angles.

You can determine what course of action would be best should a specific event, like a natural disaster, occur, or you can plan several responses to a specific event.

For example, What if something happens to our physical office? could translate into multiple scenarios: What if our office catches fire? What if it's burglarized? and so on.

When one startup built out their growth plan, they relied on the scenario planning capabilities ChartHop afforded them. "The most powerful part was being able to put [a scenario] in front of the leadership team so there's clarity on the plan, and being able to make changes to the scenario in real time based on feedback."

Using scenarios, the board walked through several hypothetical future states. They were able to see the actual implications of choosing to grow one department over three months versus six months or what their workforce would look like with more inclusive hiring practices. The insights and outcomes allowed them to determine which plan best aligned with their growth goals.



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07

Grow a culture of transparency

Having access to data and the right solutions can empower your leadership team to be transparent in your communication and how you share information within your company.

Slack's Future of Work Study found that 80% of employees want to better understand how their company makes decisions, while 87% want their company to be more transparent. Implementing the right tools can help facilitate this transparency.

InVision operates with a fully distributed workforce. This means their tools are their office—the way they connect, communicate, and get work done.

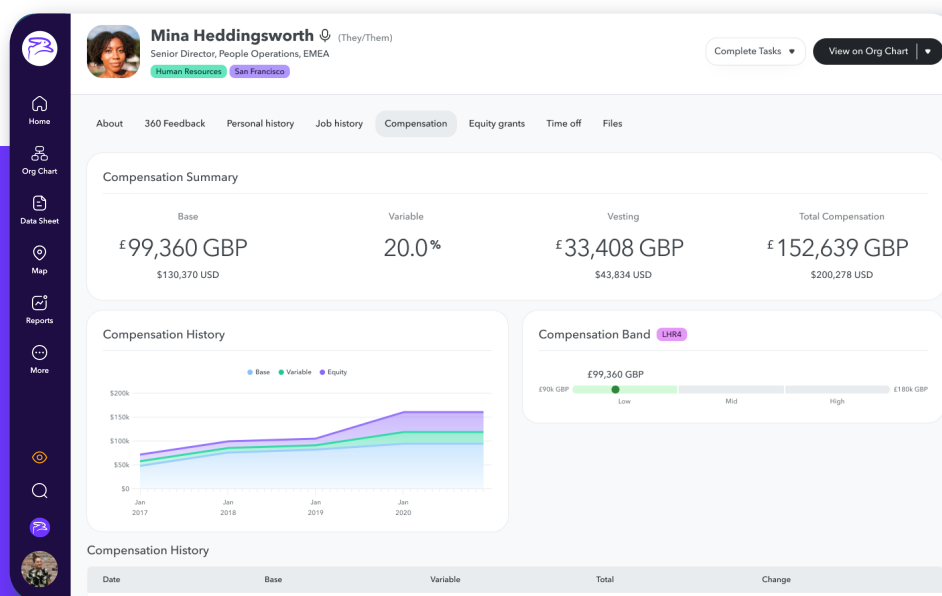
“When you're supporting a global workforce, the last thing you want to be is a bottleneck for information or to feel friction when trying to get things done,” says Shelby Wolpa,

former vice president of people operations. That's why they adopted a “self-service” approach to information.

With how quickly they onboard new employees or promote or reorganize teams, it can be impossible (not to mention noisy) to constantly communicate the changes.

“ChartHop has become a great resource for people finding one another, understanding how the organization is designed, and how the organization has changed over time,” adds Wolpa.

Transparent communication is also easier when you have the data and insights necessary to help support your decisions.



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Having a clear growth plan and month-over-month projections allowed one high growth startup to have difficult but constructive conversations with their employees about internal promotions versus necessary external hires.

“While everybody on this current team, including myself, has strengths, there's also areas that we're not as strong at,” the CEO explains. “We do need people who have done this or that at another company, who can pull our company up to that next level.”

Being able to show employees the careful thought behind their decisions—and the implications for these decisions six months or a year down the line—made it easier for leadership to help employees understand how these hiring decisions would benefit the company's future state.

You can't hack your way to growth

“The surest way to drive growth is with a steady and strategic hand,” says Rothenberg—and he's right. There are no shortcuts when it comes to growth. Instead, companies need to commit to an intentional, data-driven plan of action.

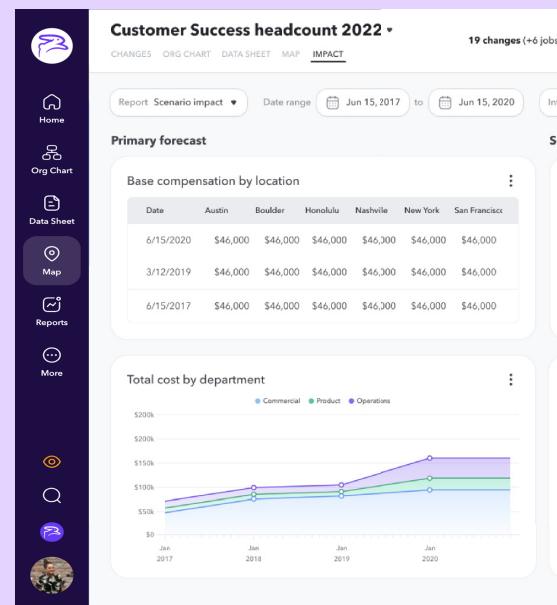
As a leader, champion and normalize a culture that prioritizes data over gut instinct or quick wins. Not only will you cultivate a workforce that values evidence and data-backed insights, but you'll create a future state shaped by the intentional decisions your company has made to get there.



Put Your Best Plan Forward

Successfully navigating the unique challenges that come with each stage of growth requires intentional planning grounded in data-driven insights. Discover how ChartHop's visual and actionable employee-centric platform can help.

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