



Scaling for High Growth Is All about Focus and Checkpoints

By Ryan Smith

It's one of the questions I'm asked the most, "How do you define a scalable startup?" Most of today's major tech brands might not be defined as scalable if you witnessed their beginnings. In contrast, there are many companies that looked scalable at one point, but still never reached full potential. So remember, where you start is often not where you end up and pivoting along the way is critical. Many companies start with all the right mechanics: smart people, a decent product, and funding, but somehow they still end up failing. Why and how could this happen?

Companies fail because they get distracted and don't execute. Ultimately, they're not focused enough.

I often hear people say, "Wow, Qualtrics has blown up! I see you guys everywhere." I just chuckle inside, because companies don't just blow up and scale. It takes hard work and major focus. We started in a basement, and targeted academics exclusively to help them collect and analyze data. And that's where we stayed for 4 years. By all accounts this basement-born company wouldn't

have been defined as scalable. The evidence of this is in all those people who had the chance to jump onboard and instead passed up the opportunity. But to be fair, predicting an idea with high growth potential is almost impossible. In truth, many startups are probably just one pivot away from success or failure.

In Qualtrics' early days, understanding how to scale the business was tough. I remember sitting in that basement in my early twenties trying to find anyone that had experienced a similar growth phase. What I realized as I spoke with most was that there are no shortcuts. No one had the trump card I was looking for... Why? Because there isn't one.

Jump to 2013 and my idea of scalable has changed from the "basement days" to today, where we still behave like a startup, but are a much more established company, with major investors. I've learned to measure scale by using a series of checkpoints. This is incredibly important, because as soon as you get to one checkpoint, then there's another and another. So you have to continually assess where you are and where you're going.

Today, I understand this. But early on, as Qualtrics approached a target or goal, I would imagine how everything would just tip, the business would start to scale on its own and run by itself. Yet once we reached a goal it became clear that one successful milestone achieved was just one lap around the track with many more to go. Ten years later and the exact same principles apply. We're still making those laps and hitting checkpoints along the way, just at a much faster pace.

And the effort to scale remains constant. At first, scalability for us meant turning a profit, hiring our first sales team, launching a major product release for universities, and closing our first enterprise license deal. Today, scalability means international expansion, a multi-product platform, global data centers, and thousands of enterprise customers. The only commonalities are continual checkpoints and the frequent need to hire great people and pivot.

What have I've learned since starting Qualtrics in that basement twelve years ago?

1. Figure out what to focus on and then just execute.

2. Look for opportunities to do something better than just about everyone else and go for it.

3. Be flexible and know when to pivot.

I've come to understand that scalability is just a series of checkpoints and targets. One of the great benefits of being a Founder is the ability to cross these boundaries in any way that you want to. There's no right or wrong way. You just need to get through them. Each

checkpoint teaches a lesson and allows you the opportunity to pivot along the way. Most importantly, remember that most great companies don't end up where they started. But to achieve success, it's critical to choose, and clear, the right checkpoints.

About the Author

Ryan Smith co-founded [Qualtrics](#) in 2002 with the goal of making sophisticated research simple. As CEO, he has grown the company from a basement startup to one of the fastest-growing technology companies in the world, experiencing triple-digit growth in the past four years. Qualtrics has more than 5,000 enterprise customers including half of the Fortune 100, 1,300 colleges and universities worldwide, and 95 of the top 100 business schools.



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