

7 Essential Rules of Business Goal Setting



Enjoy this pocket guide?

Follow Scot Chisholm and subscribe to my newsletter for a High-Resolution PDF.



**SCOT
CHISHOLM**

“Great performance is 1% vision,
99% alignment.”

Yet most leaders struggle to
align their teams effectively.

Sound like you?

Then follow this 7-step
framework to turn your team
into a hive mind:



Rule 1: Three goals or less

Complexity is the enemy of execution

Limit company and individual goals to 3 per year, max

These goals should be concise, specific, and crystal clear

Ex: "Increase annual recurring revenue (ARR) to \$10M"

You want a focused team, not an overwhelmed one.

Rule 2: Make them challenging but realistic

Goals should stretch comfort zones, but not so much that they become unrealistic.

A good rule of thumb is to aim for 80% likelihood of achievement

- **Less than 80% = too hard**
- **More than 80% = too easy**

Also get your board to sign off on the company goals.

It's easier to get things done when everyone rows in the same direction.

Rule 3: Always be measurable

Each goal should have 3 measurable metrics.

And each one should focus on the outcomes, not tasks. For example:

Goal #1: Become a top content creator for startups on LinkedIn.

- **Metric 1:** Get 100+ million impressions
- **Metric 2:** Gain Top Voice recognition
- **Metric 3:** Enter Top 10 ranking

Notice these metrics are outcome-based, not task-based.

They should focus on what success looks like (the “what”), not how you plan to get there (the “how”).

Rule 4: Have a strong 'Why'

The **'why'** brings out the strategy and vision behind the goal and provides business context to the team.

Without a clear **'why,'** you'll leave your team guessing. Without context, there's no clarity.

This lack of purpose will de-motivate your leaders. They will think, *"Why work my ass off when I don't even know why we are doing this?"*

That's why you should include the **'why'** with every goal you set.

It should be no more than a **1-2 sentence** explanation of why you chose the goal in the first place.

Rule 5: Create new routines

Many people set business goals, but never modify their behavior to achieve them. Which is why they quickly forget what their goals were in the first place.

Don't fall in this category.

Instead, think of your daily routines as a support system for goal achievement.

At least 80% of what you do during the day, week, month, quarter, and year should reinforce your top three goals.

Identify 3-5 new routines to shift your daily behavior and align your habits with your new goals.

The point of this is to create the right environment, which in turn increases the likelihood of achieving your goals.

Rule 6: Disciplined tracking

Break annual goals into quarterly and monthly targets

Next, track progress weekly using simple red/yellow/green scorecard:

- **On pace** (100%+ of target)
- **Slightly behind** (80-99% of target)
- **Behind pace** (<80% of target)

Make tracking sheet accessible to entire organization for transparency

Add updates weekly, even if no change in status

Rule 7: Reward your team

Never make the mistake of delinking goals and comp. That's a surefire to ensure you never have high performers.

Instead, tie a portion of individual compensation to goal attainment.

Implement company-wide bonus program based on:

- Company achieving its goals
(50% of bonus)

- Individual achieving their goals
(50% of bonus)

The truth is...money motivates. Lean into that and use this simple setup will keep team dialed in all year long.

If you made it this far, you'll love my newsletter.

I deep dive into
leadership & startup
topics every week

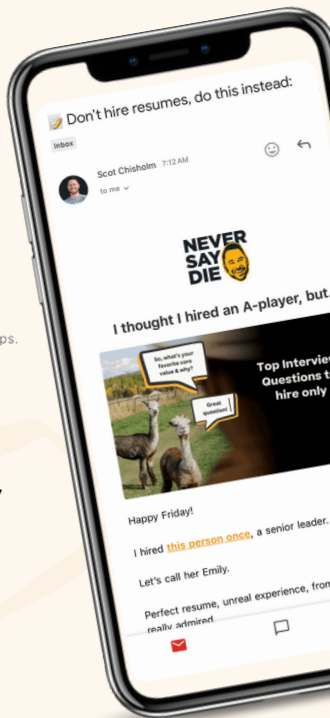


Scot Chisholm · You

4x founder & CEO 📧 Talking leadership & startups.

[Visit my website](#)

“Click **visit my website**” to
sign up free



Where good founders become great CEOs

I recently launched an
accelerator for **founders
looking to scale.**

It's like Y-Combinator,
but for the scale phase.

If you want to **learn more**,
click the link in the featured
section on my profile.

highland