

[How to Tell If Your CEO Is Clueless](#)

via [How to Change the World](#) by Guy Kawasaki on 10/27/08

Pontificating, theorizing, and terrorizing abounds these days in tech startups. Here is a simple test to help you figure out if the startup you work for is in trouble. All you have to do is listen to your CEO talk to people for a week and determine if she uses these lines.

1. "Let me tell you why the [Sequoia memo](#) really doesn't apply to us."

[NK: that "Sequoia" link is pretty interesting itself!]

2. "Our team is totally engaged and believe in the company."

3. "Our market is so large that a 20 percent reduction won't matter to us."

4. "We aren't changing our long-term strategy because this is a short-term problem."

5. "It's still too early to tell if we'll be affected."

6. "The sales pipeline that we've already booked is still strong."

7. "The start of sales results is just around the corner."

8. "We can accelerate revenue with a few tweaks to our product."

9. "We can reduce expenses without affecting headcount."

10. "Our investors are totally engaged and believe in the company."

11. "We think we can raise another round right after the holidays."

12. "We heard that our competitors are in trouble, but we've been more conservative with expenses."

13. "We have twelve months of cash even with our most conservative sales forecast."

14. "In these times, (Some Big Company) needs what we offer to increase sales."

15. "In these times, (Some Big Company) needs what we offer to reduce costs."

16. "We've built an extremely viral product so we can reduce our sales and marketing expenses."

Score Sheet:

0-3. You're good for at least a year, and there is a healthy level of optimism and delusion (both of which are required in startup CEOs).

4-8. Unless things turn around, your company will hit the wall in nine months.

9-12. Six months is about how long it will take to find a job so start looking now.

12 or more. Fire up Word and get your resume ready.

These are interesting times, and you should understand that many people can tell you how to cut costs. That's fine and dandy, but the true test is whether you can increase sales and increase cash flow not layoff people to success.

To help your CEO, suggest that he or she go here for [leadership](#) help and [here](#) for financial news.