

How to set cofounder milestones

1. WHY

Setting out cofounders' milestones is very important for multiple reasons, MAINLY:

- Clarity of all parties what is expected from them during the cooperation
- Necessary to be able to evaluate the cofounder performance

Unfortunately, cofounder underperformance is very common occurrence and you want to protect your project / company as much as you can.

It is only fair and reasonable to set clear targets and have regular evaluations. It is also very much recommended to have the 'try before you buy' period with your potential cofounders – which allows all parties to see if it is a good idea to work together. Think about it as an alternative to probation period for employees – some things are only visible during the testing phase.

For the already onboarded cofounders it is very necessary to be able to implement the good / bad leaver framework to protect the equity of your company in case a cofounder is not delivering as expected and you need to address the situation to move forward.

2. WHEN

It is important to do it as soon as you start engaging another person to work on your project (in the preparatory phase) or for your company.

It is necessary component for:

- A) **The initial period of cofounder probation** period which is covered by the Memorandum of Understanding
- B) **For active cofounders** – to be able to execute the good / bad leaver framework with potential equity consequences



3. HOW TO DO IT

The devil being in the detail, it is a fine balancing between being specific enough to evaluate the performance and being flexible enough to accommodate the typical dynamic character of early state ventures.

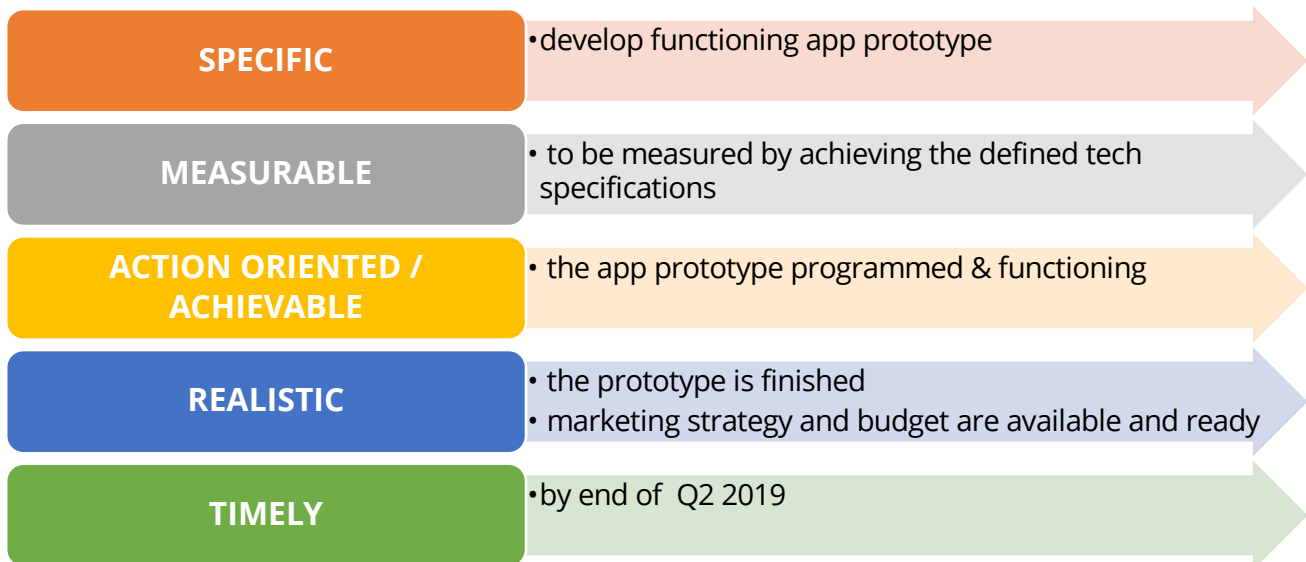
Setting it right is best done together as a team and linked to your business plan and timeline.

For starters, check that all the milestones are defined SMART



4. EXAMPLE

A) This example is milestone setting for **early stage pre-prototype technical startup CTO.**



B) This example is milestone setting for early stage **business developer / sales cofounder.**

