

Jim's Profit Accelerator 123: Are You a DIY Leader?

There are three stages of leadership in most companies. Usually they parallel the growth of revenue but not always.

Frequently if growth slows after a rapid start, the culprit is thought to be either the market or the product. I find that's seldom the case. If the product/market niche is appealing enough that customers continue to buy from you at a healthy rate, the problem is with leadership style and skill.

SPEED BUMP: Early stage leadership seldom supports sustained growth.

After you've nodded your head, find yourself from these common leadership stages and ask yourself this question: Does our leadership stage match our growth stage?

Stage 1—Do It Yourself: This literally means sell it, make it, and ship it. Even after what feels like dramatic growth, the CEO finds herself actively involved in all three stages of operation. "Actively involved" means doing the work, sometimes alongside growing staff.

Stage 2—Drive It Yourself: These companies are now big enough so that department teams (e.g., sales, engineering, administration, production) are needed to handle the higher level of orders, and the complexity that seeps in along with them. Each department has a department leader, a "CEO of his department," whose main job is to see that his team performs its part in the dance of the business. Guiding direction, communication, and inspiration are the task of the CEO, whose job sometimes feels more like mushing a sled dog team. The problem is that the roles are reversed: it's the CEO who is pulling the sled, not the dogs.

Many successful mid-size firms follow the pattern of Martin Logan, a wildly successful maker of proprietary loudspeakers sold worldwide. Its leader, Gayle Sanders, provided both the fire and the fences to his organization, personally signing each speaker before it could be shipped. His engineers and production workers wanted to please Gayle, and his approval had huge impact on their satisfaction and behavior.

He hit the growth wall when he could no longer sign each speaker, because they emerged too fast from production. He found himself leading a proud organization where (in his words) "... overhead jumped faster than productivity, and productivity consultants didn't fix it. You mended the fighting; then the results improved." The "mending" was not a love-in; it was pulling the company into stage 3 leadership.

Stage 3—Develop It Yourself: This stage requires radically dismantling many of the mechanisms of leadership. It requires shifting the CEO's job from doing the work to developing and guiding leaders who will successfully lead their teams and collaborate to push the business ever faster and better. It puts up a high fence to keep the CEO from sliding back to his earlier behavior when times get tough. His job is to frame the problem and pick the team; it is rarely to solve the problem or implement the solution. It is giving the sled dogs permission to let it out and go for it.



SPEED BUMP: Few leaders make the jump from **Drive it** to **Develop it**.

Going from Stage 2 to Stage 3 requires jettisoning most of the habits that brought you to this stage of success. Here are three big ones:

1. **Never do the work yourself.** Find or train someone else to do it.
2. **Never step in and provide a solution** to rescue your team. They'll stop the risks that drive success.
3. **Always develop stronger leaders.** Help them build their skills and confidence.
4. Bonus: **Track progress weekly, and simply.**

SPEED BUMP: Stage 3 leaders are shocked at how results accelerate.

Stage 3 leadership only happens with an executive team (management team) that is aligned and collaborative, and owns the task of powering the organization toward its goals. Autocratic leaders (Stage 2) can be successful at stage 3, but usually for a short time. Endurance moves out of reach.

ACCELERANT: Does your leadership stage fit your goals for the business?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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