

Jim's Profit Accelerator 7: Solomon Decisions

Most successful mid-size businesses (MSB) grow past their autocratic leader. Survivors adapt adeptly. Slow sinkers hang onto the model that's always worked in the past. The choice to adapt or to sink is illuminated whenever a decision looms. A "looming" decision has these elements:

- High risk/high reward
- Delay is unacceptable due to costs or risk
- No clear choice

This decision is sometimes described as a "Solomon" decision, reflecting the ancient story of King Solomon. When two women each claimed the same baby to be their own, Solomon raised his sword, announcing that the only answer was to cut the baby in half. The true mother exclaimed, "Give the baby to the other woman!"

The power of this story is not just in the baby, but in the unconscious hope that there will be a strong "dad" or "mom" who will not only protect people from the pain of a tough choice but will also choose wisely.

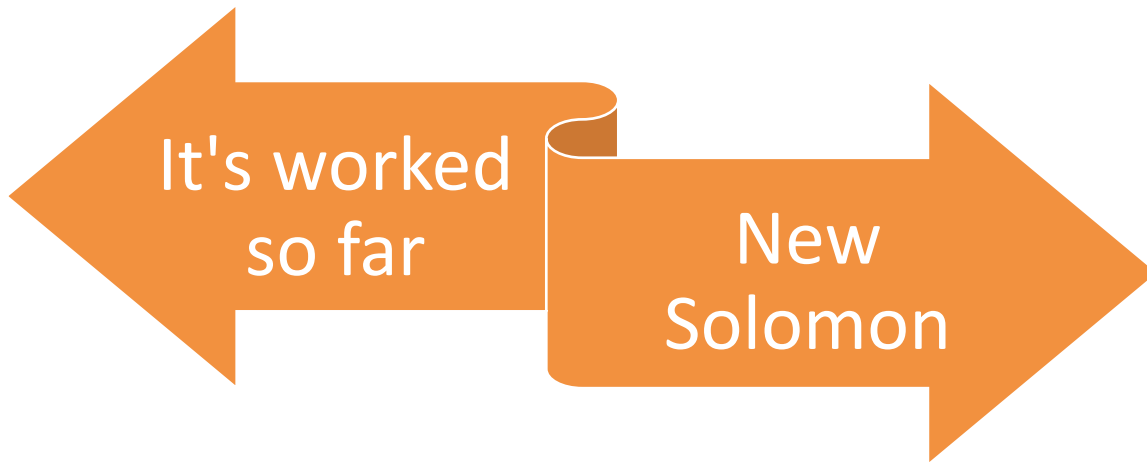
The MSB turns this fantasy into reality as it grows successfully with a strong leader (its own "Solomon"). That system works well until the speed and complexity of problems outstrip the leader's capacity to choose wisely. The "outstrip" point is tough to spot, and tougher to respond effectively to. These forces work against the necessary changes:

- A belief and hope that because it's worked up to now, it will continue to work.
- No one has experience or confidence in a leadership alternative.
- Replacing one Solomon with another requires both ousting the current Solomon and finding a replacement who can work effectively in the current culture.

A consumer electronics maker was sliding toward collision with its bank as sales plummeted. (Worse, its founder-CEO was on the bank board!) In its specialty niche, new products meant survival, but their disruptive new product lay unfinished in product development. The founder and I split his responsibilities: he drove development of the new products, and I ran the company.

The story has a remarkably happy ending! This founder narrowly escaped financial ruin, public humiliation, and the pain of watching his lifelong dream evaporate before his eyes. To his credit, he accepted help and broader leadership for his company. He did it at the "last second," when impending pain was visible and dramatic, like a freight train closing in while he tried to beat the train to the crossing.

SPEED BUMP: The poison of “It’s Worked So Far” is slow death.



Sadly, even though all of the leaders I’ve met understand this, few are willing to do the hard work of reinventing the leadership of their firm in time.

“In time” means looking at ways to grow the business by splitting off responsibilities to others, shifting from doing “the things I know best” to helping others to excel, and rebuilding your vision of Solomon’s job in this company *now*. The payoff is not just survival; it’s goosing growth, innovation, and morale with a blast of fresh air.

Do you have the courage to change your leadership system to ramp up growth, or do you insist that you can beat the train to the crossing?

Strong forces are always at work against stepping up capacity. It takes courage and the wisdom of a team of Solomons to continue to achieve growth.

ACCELERATOR: When will you adopt a team of “Solomons” and move real power to them?

Call me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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