



THE ENTREPRENEURIAL ADVENTURE: START UP TO PROFESSIONAL ENTERPRISE

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Growing a business has much of the odd mix of joy and tribulation as being a parent. The adventure is exciting. There is so much to do and so many critical decisions to be made, that new business leaders can easily become "Entrepreneur Workaholics." The temptation to repeat and focus solely on what has been successful at first – and fail to re-assess emerging needs -- is so powerful that often the critical operational and strategic tasks of the business are ignored. Thus entrepreneurs fall prey to the "Boy are we busy, so we can't do X" syndrome. As a result, the laying of groundwork for the future is ignored or delayed. And the Entrepreneur has never been busier and going nowhere fast.

Entrepreneurs do need to do the right things today, and hopefully do them right. But sometimes over-focus on getting product or service just right in the immediate moment becomes a dysfunctional distraction and creates a leadership paralysis. Customers, staff, and business partners want to know somebody has the big picture in mind and is leading the organization, not just managing details and coping with the daily crises.

Eventually, as will be discussed below, new challenges and "Transition Points" will inevitably occur. Without the right equipment, tools, and readiness for the future, these Transition Points can be disruptive to even the

most successful start-up -- that is, unless the business is prepared for the transitions.

So how do you know your adventure is not progressing well? The following symptoms have been identified as warning signs:

- *Principals say "there aren't enough hours in the day"*
- *Everyone feels they are spending too much time "putting out fires"*
- *Managers and staff are not aware of what others are doing*
- *Everyone has lack an awareness of where the firm is headed*
- *"I have to do it myself if I want it done correctly" syndrome emerges*
- *When plans are made, there is little follow up, so things don't get done*
- *Customers begin to feel they are not getting special attention*
- *Partners experience lack of coordination of efforts*
- *Some have begun to feel insecure about their place in the firm*
- *The firm has continued to grow in sales, but not in profits*

Understand that these are symptoms of obstacles along the way, but not necessarily signs of business failure -- yet. You CAN fix this! Everyone has to grow into his or her entrepreneurial role and that role continues to grow and change as the Adventure builds and becomes more complex. While some of the challenges faced by entrepreneurs are unpredictable and unforeseeable, there is a robust body of knowledge about what are the predictable essential growth and development challenges of a new business.

Recognize that there are new critical jobs that change as you grow. The ***Link Entrepreneurial Adventure Map*** (below) provides a sense of how the Entrepreneur's Journey progresses through each necessary phase to become a sturdy professional enterprise.

The Myth of the Self-Made Entrepreneur

One of the biggest challenges that new entrepreneurs face is the culturally-based belief that everybody who starts a business should magically be able to manage the new business without any help. Never think that a lack of advance knowledge on all that is required in the Entrepreneurial Adventure reflects adversely on your competence. Not so.

Even the smallest and simplest business will need to make hundreds of decisions correctly. Business literature is dominated with a bias toward big business and does not focus much on start-ups. And there is a widespread assumption that new leaders will figure out their needed answers and outcomes. The fact is, entrepreneurs creating new businesses have the potential to, and inevitably do, make mistakes.

Luckily, no one has to go on this Adventure alone. There are experienced mountaineers and "Sherpas," mentors, advisors, and consultants can help you think and work through the challenges.



Edmund Hillary gets Sherpa'd by Tenzing Norgay

In all the litany of business success stories that dominate our business culture, there is a lack of honest telling about the years of failure and hard lessons learned long before success. We never even find out about most of the very rapid business failures. Well known is that Thomas Edison tried over 3,000 different approaches to create the light bulb before he succeeded. Also, though, Michael Jordan credits his success as a basketball phenom to his constant failures (he lost 300 games, and missed 9000+ shots at goal) and using his failures as motivation for success. His shooting average was just below 50% -- so to score he would have to take two shots, one to fail, the other to score. (*"Thomas Edison and Michael Jordan Were Failures"* – Sept. 16, 2010, *Business Insider*)

THE LINK ENTREPRENEURIAL ADVENTURE MAP: FROM STARTUP TO PROFESSIONAL ENTERPRISE

The ***Adventure Map*** (below) is a good place to start in decoding the mysteries of the Entrepreneurial Adventure. There are predictable Stages in the journey, jobs that need to be accomplished, and knowledge, skills, and methodologies that can be acquired in timely fashion to prepare for the journey going forward.

***You want to know the difference between a master and a beginner? The master has failed more times than the beginner has ever tried.
-- Unknown***

Specific tasks and challenges need to be accomplished at each Stage to support success in the next. Everything needs to be done -- but not all at once. As can be seen from the ***Adventure Map***, as the business matures from Stage to Stage, focus shifts to new challenges.

And two specific elements on the ***Adventure Map*** need to be considered:

1) Organizational Culture: A dynamic too often ignored but important at every Stage. Organizational Culture is the shared assumptions, beliefs, and values that govern how people think and behave in organizations. The fact is, there is no “one right” organizational culture. However, understanding your organizational culture is critical, as it will influence both strategies you choose and how you execute them.

Culture adapts to the needs of the company – e.g. fast-growth companies have different culture and behaviors than mature service organizations. “Culture is the organization’s immune system,” says Michael Watkins in an article from Harvard Business Review (“*What Is Organizational Culture?*” May 15, 2013). Culture can protect an organization from destructive pressures – or it can attack agents of needed change. Wise leaders pay attention to the dynamics around them and, if and when necessary, make course corrections.

2) Transition Points: At each Stage progresses, there generally comes a time when the business outgrows existing operational mechanisms and structures, and requires rethinking and building for the next Stage. While the exact timing of each Transition Point is hard to predict, that they will occur is predictable, and can be planned for. Transitions do not necessarily take the same length of time. Yet meeting a Transition Point with readiness strengthens the likelihood of smooth new business operations over time. “Failing to realize that critical transition points in the growth of an enterprise requires leaders to shift emphasis, otherwise they blindly stick with what has been working up to that point,” says Derek Lidow in Harvard Business Review (“*Surviving a Start-Up’s Transition from Projects to Processes,*” March 12, 2014).

DECODING THE LINK ENTREPRENEURIAL ADVENTURE MAP

In the **Create Phase**, the focus is on building the Foundational Strategy. The **Direct Phase** shifts to building initial capacity and competency before expanding your market via a big marketing effort. Marketing efforts often work, but without the capacity to provide the new customers a quality product or service, the reputation and brand will be damaged. With capacity ensured, the **Market Phase** to communicate, build brand awareness, and expand your market. The **Operate Phase** expands and improves capacity to new level. At the **Mature Business Phase**, the organization has the dual challenges of increasing professionalism of the organization, improving the brand, while not allowing bureaucracy to stifle the company. In the **Outreach Phase** the mature organization can look to outreach to other channel partners or acquire other firms. And of course there are other business paths and progressions that many businesses have taken, especially since the days of the dotcoms, where technology changed the emphasis on the phases. For example, in the “Pump and Dump Model”, a business may only go through the **Direct Phase** or **Market Phase**, before being sold.

The **Link Entrepreneurial Adventure Map** shows how the entrepreneurial journey must be built from the ground up, as follows:

THE LINK ENTREPRENEURIAL ADVENTURE MAP: FROM STARTUP TO PROFESSIONAL ENTERPRISE

	ENTREPRENEURIAL ADVENTURE PHASE	TASKS AT EACH PHASE	CORE STRATEGIES AND PROCESSES AT EACH PHASE	STRATEGIC AND OPERATIONAL QUESTIONS
6	OUTREACH PHASE: Innovation and Alliances <i>Transition Point:</i> Expand/ Invent/ Retrench/ Restart	-Create new products or markets -Develop new ways of doing business and new partners	- Build Anew - Partner Anew - Acquire and Merge	-Core Market = stable. -How are we going next to expand market share or create new markets? -Who are our new fruitful partners?
5	MATURE BUSINESS PHASE: Professionalization and Expansion <i>Transition Point:</i> Growth to Professional Enterprise	-Expand capacity	- Core Improvements - Reengineer Processes - Strategically Communicate - External Community Relationships	-How are we going to do this on a more mature /expanded business level? -How ensure balance of discipline and agility?
4	OPERATE PHASE: Operations and Strategy <i>Transition Point:</i> Red Tape	- Create success Scenarios - Build capacity - Coordination multiple units - Formalize methodologies and monitoring	- Strategic Planning - Strategy-Aligned Performance Management - Internal Community and Workforce Retention - Mature Process Improvement - Customer Relationship Management (CRM)	-How are we going manage strategy and performance? - How to ensure both customers and workforce are well developed and appreciated? -How to balance demand, production, and marketing? -How to retain Core Competencies?
3	MARKET PHASE: Marketing and Delegation <i>Transition Point:</i> Control vs. Agility	- Create Market Demand and Channels - Distribute Leadership	- Branding/ Reputation - Define Customers - Marketing Plans - Delegation among Leaders	-Who are we going to sell to and how? -How to manage fluctuating demand? -Who is leading what?
2	DIRECT PHASE: Initial Order and Processes <i>Transition Point:</i> Centralization vs. Decentralization	- Production and Marketing - Communications Budgets - Core Operational Processes	- Production Plans - Process Maps - Budget, Cash Flow, and Resource Plans	-How do we make and sell this? -How much can we take on now? -In the near future? -Who is best at what?
1	CREATE PHASE: Ad Hoc/ Startup <i>Transition Point:</i> Leadership	Clarify Compelling Vision of Future, Mission, Product, Markets and Business Model	- Business Plan - Initial Customers - Initial Workforce	-What business are we in? -How do we set up it to succeed?

PHASED CULTURAL EVOLUTION

The Entrepreneur's Adventure is filled with challenges that change and compel new thinking at every Stage. Travelers must adapt and seek the right resources for success.

SEVEN ESSENTIAL TOOLS AND SUCCESS STRATEGIES FOR THE ENTREPRENEURIAL ADVENTURE

In addition to knowledge about the Stages, we have found these 7 Key Tools and Success Strategies you would do well to pack, keep in mind, and use all along the way of your Adventure:

- 1. Focus on Both the Strategic and the Day-to-Day:** Many Adventurers over-focus on details to avoid thinking about the big picture because it can seem overwhelming. Actually, this is one of the most vital of the Success Strategies. Regularly allocate a defined percent of time to think strategic big picture together -- you, your management team, and your Sherpas. (Don't worry. The day-to-day challenges will find you!) Excitement about immediate successes can blind entrepreneurs to impending transition and the need to plan.
- 2. Master the Art of Delegation:** This is not the "drop it on people's desks" or "lob it over fence and hope it gets done" kind of delegation. The Success Strategies of Delegation requires assessment of the delegatee's competency, defining the task and success criteria, and providing coaching if necessary. Many Entrepreneurs don't delegate out of a fear of loss of control, or to avoid strategic thinking, and rationalize delegation takes too long and that "it is faster if I just do it myself." Far from doing everything yourself - delegation means that every task you assign takes some burden off your plate and often brings in new ideas for problem-solving and builds management capacity. (And an added benefit: you can, occasionally, take a day off!)
- 3. Have Fewer, but "Chiefest Few" Metrics:** When driving, you don't use all metrics available. We watch the road and focus on the ones that matter: speed, gas, traffic, compass and occasionally engine temp. Successful entrepreneurs speak of "the Chiefest Few" metrics. And the easiest to collect are not always the best. Qualitative as well as quantitative key performance indicators are usually necessary in this Success Strategy.
- 4. Craft and Continuously Communicate the Organizational Vision:** People want to know, at varying levels, inside and outside the company, where the business is going and how. And they need to hear it often. Sharing your passion for the business is important. Of course, internal and external communications will be different. But both are vital in this Success Strategy.

- 5. Assess Outsourcing Options:** Outsourcing strategic management of capabilities like HR, IT, Accounting, and related functions when feasible can be a Success Strategy that can reduce day-to-day management pressures and expand management bandwidth.
- 6. Don't Confuse "Truth Telling" with Disloyalty:** Often entrepreneurs are apprehensive when staff or subordinate managers disagree with their own perspective. Disagreement is seen as disloyal, and leaders can fall into the trap of insisting on "Yes Men." In actuality, loyalty has to be balanced with trust in your team and their ideas. This Success Strategy calls for disciplined and open communication, surfacing differences of opinion, and resolving conflicts to ensure free flow of winning ideas.
- 7. Hire Consultants /Sherpas Before You Desperately Need Them:** Hire when are just entering times of strategic changes or transitions, not just when you are in a death spiral. Since most entrepreneur management teams are very lean, their focus tends to be consumed by the day to day. This Success Strategy means that the right consultants can help you think "big picture" and be strategic, and be ready to meet the next Adventure Stage. Also, external consultants can help guard against "group think," wrong directions, or getting mired in a rut, and assure that you develop the smart ideas needed in your Entrepreneurial Adventure.



VOLVOX Principals John Link and Jo Lee Loveland Link can be your Sherpas to help you master these challenges and successfully navigate the adventures you face. *Contact us at 540-465-1492 and look us up on www.volvoxinc.com*