

Making the Transition From Entrepreneur to “Boss”

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Mark Herbert

Principal, New Paradigms LLC

mark@newparadigmsllc.com

541.741.3490



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Making the transition from individual contributor to manager or

entrepreneur to “corporate” executive is one of the most difficult shifts most of us will face in our careers. A study conducted by a national management consulting firm a few years back indicated that more than **40%** of newly appointed managers fail in their first 18 months on the job!

As a consultant working with many entrepreneurs attempting to grow their businesses either for continuity purposes or for sale I see them experience many of the same issues.

In many cases these issues boil down to developing and maintaining effective relationships.

Our educational system has a bias towards “technical” skills and individual achievement. Winning means getting the best grades and “setting the curve” as an **individual**.

When we move into organizational settings in business the ability to develop partnerships and teamwork are critical, but where does that training occur? I think most of us would be appalled to see the scarcity of curriculum in the best graduate schools dealing with interpersonal relationships. Human resources is considered a compliance issue, not a strategic priority.

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Here are some of the most common mistakes I have observed in “new” managers:

1. They fail the “politics quiz.” Organizational politics are a fact of life. Don’t sacrifice key relationships because a colleague or subordinate has a talent for getting face time.
2. Don’t try to “clone” yourself. Of course you’re brilliant, that’s why you were promoted. However, good management is getting the best out of the staff you have. Improving employee performance is a process not an event.
3. Failing to communicate. You avoid giving feedback because you are sensitive to past relationships. People desperately need and desire good, balanced feedback.
4. The Sprint. Don’t try to accomplish everything on day one to validate management’s decision. Learn your staff and their capabilities. All priorities aren’t equal.
5. Trying to be Dr. Feelgood. Everybody wants something and it’s hard to say no. Special, confidential deals never stay that way. Your job is to be the boss, not their friend.
6. You’ve arrived. Management is a continuing improvement and learning process. Seek out opportunities to improve your skills and refine them.
7. You’re the star. It is very tempting to fall back into doing the “technical” things you did before. You were good at it. Competing with your staff is bad management. You need to transition from player to coach.

When you look at that list I have seen a number of those and a unique set of challenges for the entrepreneur. The common entrepreneur's issues from my list are number 2, number 3, and number 7 in its own way are the biggies.

Even more so than the newly promoted manager, the entrepreneur **is** the business. There is a tendency to attempt to replicate yourself or in some cases turn the business over to a family member who doesn't share your passion or acumen.

One of the things we learn in large organizations is that different leadership styles are appropriate in different stages of the business. The passion, vision, and daring of the entrepreneur often need to evolve to the calm hand and head of a professional manager.

Feedback often times is especially difficult for the entrepreneur. It is either provided inconsistently or not constructively. The business isn't a hobby to them it is their life and others lack of "engagement" can be frustrating.

Similarly transitioning to "coach" is difficult. Typically the entrepreneur makes all or most of the key decisions. Delegating those decisions is hard, especially without the skills to support effective delegation. Equally difficult is that some of your responsibilities will probably have to be shared by more than one person. That can be especially difficult.

The entrepreneur also keeps much of the most critical information in their head and within their personal control. Giving up that control and trusting is hard!

The expression of it's lonely at the top has special implications for the entrepreneur. They might not have a Board or advisory group. Finding a "support" system is critical. That can be achieved through executive coaching or a number of executive "support" groups that provide a "virtual board" with a facilitator. Members are in businesses which are not competitive so that the exchange of information can occur freely. Like coaching the better ones are investment of time and money. They require a commitment to the process. They will also typically be managed by invitation or a "vetting" process to assure that members needs and chemistry are well matched. The group leader or facilitator's skills and background are also critically important.

“Even more so then the newly promoted manager, the entrepreneur is the business”

As I started this article, this transition is a difficult one. Achieving results through others is usually a critical component to long term success. As a corporate person it is the key to advancement. As an entrepreneur if you **are** the business the value leaves with you or its ability to grow is gated by your personal skills. Either way, this is a critical transition.

Mark F. Herbert is a principal in the consulting firm of New Paradigms LLC. He has over 30 years of experience as a corporate executive and consultant specializing in optimizing organizational performance. He speaks and writes frequently on topics related to human resources management, organizational development, and executive and managerial coaching. He has developed and implemented a management system called Compliance to Commitment™ that has seen significant measurable results in multiple organizational settings. His first book, Managing Whole People will be published in the fall of 2008. He can be reached at mark@newparadigmsllc.com or www.newparadigmsllc.com