



Creating the company you want, not the one you have

Long-term success comes from planning. Be sure to implement the necessary systems and processes before they are actually needed. Prep for the company you want, not the one you have.

Businesses fail. They fail all the time. It's a reality that entrepreneurs are forced to live with. The problem, however, is that focusing on the (admittedly real) possibility of failure can keep you from preparing for success.

"What happens if your business doesn't fail?" asks Cerebra CEO Mike Stopforth. "When your business is still growing, it can feel arrogant and over-optimistic to think about what your company will look like down the line, but you have to do it. Otherwise, you'll wake up one day with a large organisation that you don't know how to run."

What is my role?

Being a start-up founder and being a CEO is not the same thing. So, when your business is growing quickly and becoming an established business, you need to take a step back and try to figure out what your role in it is.

"Not everyone is Mark Zuckerberg; not everyone can keep successfully leading a business all the way from small university-based start-up to a massive international business. If you love the start-up environment, you very possibly won't enjoy the nitty-gritty of managing a big company.

"So, you need to figure out what your role in the larger organisation should be. Perhaps you're better off letting someone else handle the day-to-day running, and should instead devote your time to innovation or company culture," says Mike.

Regardless of the position you opt for, but particularly if you want to be CEO, you need to figure out how you will spend the majority of your time. "You need to be able to identify and then focus on the best use of your time, and then spend the majority of your time in that high-priority area. It's surprisingly tough to do," says Mike.

But if you don't make a conscious decision to focus on certain areas of the business, you will get sucked into the daily details, which means you never get to focus on long-term strategy.

Sweat the structure

"As a business grows, you tend to create roles for people who are already in the business. That's the wrong way to go about it," says Mike. "You can't create a streamlined business by tweaking and retrofitting the company structure on a continual basis."

Instead, Mike suggests that you create your ideal company structure first, and then slowly go about populating it. You obviously won't be able to immediately fill all those roles, but it's important to have a blueprint.

“You need to ask yourself what you ultimately want your company to look like. What are the must-have roles? What are the horizontals and verticals? You need to create that roadmap early on,” says Mike.

This can be hard, since it sometimes means not automatically promoting someone who’s been with the company for a while, but you need to focus on the business you want, not the business you have.

“Defining your structure up-front reduces the emotional nature of hiring, firing and promoting staff. The blueprint makes the decisions, not a spur- of-the-moment feeling.”

Middle management

“It’s important to realise that the best expert in a department is not automatically the best manager,” says Mike. “Just because someone is a great developer doesn’t mean that he or she will necessarily be a great manager of developers. So, as mentioned, you need to be willing to sometimes hire from outside.”

It’s important to put the right people in place, since great managers become crucial once your business reaches a certain size. “The CEO and top executives should set the vision for the organisation and set an example that others can follow. In short, it’s their job to provide leadership,” says Mike.

“Managers, meanwhile, are there to manage. They need to deal with the day-to-day running. Therefore, it’s the job of the company leaders to put competent managers in place, and then empower them to get the job done. Systems and processes should be there to remove barriers and make it easier to manage, not harder.”

An outside perspective

With growth comes complexity, which is why it’s easy to sometimes lose perspective. Because of this, Mike recommends having someone from outside the company who can act as an advisor.

“Some of the most effective and rewarding strategy sessions we’ve had at Cerebra have been with a stranger in the room. A business coach, or some other professional consultant, can provide a tremendous amount of value because they offer objectivity. As the founder or CEO, you are so close to the business, that you can’t see the wood for the trees,” says Mike.

Importantly, this external sounding board need not necessarily be a business coach. “A good idea is obviously to have a board populated with knowledgeable outsiders, but if you don’t feel as if your company is ready for that, you can try and identify a friend who can provide some objective input.

“Another idea is to join some form of entrepreneurial network or organisation. You’ll notice that a lot of businesses deal with the same issues.”

What’s your USP?

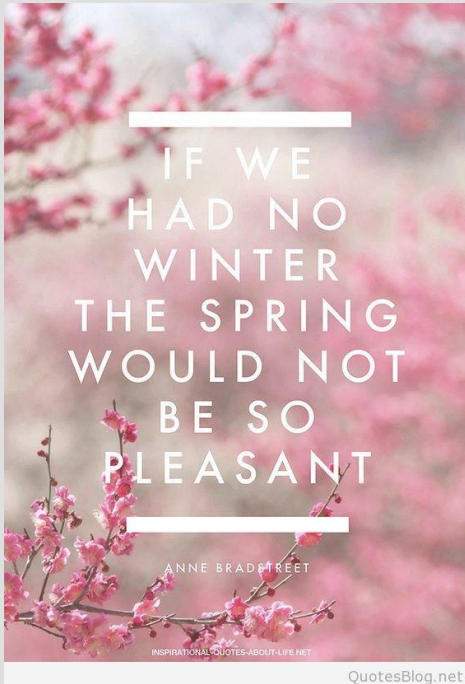
Just as it’s crucial to decide your own position within the business, you need to figure out how the company will be positioned within the market.

“As you grow, the temptation exists to diversify, since it’s the easiest way to scale. At Cerebra, however, we didn’t want to do that. We wanted to focus on our niche and own it — to become the go-to experts in the social media field,” says Mike.

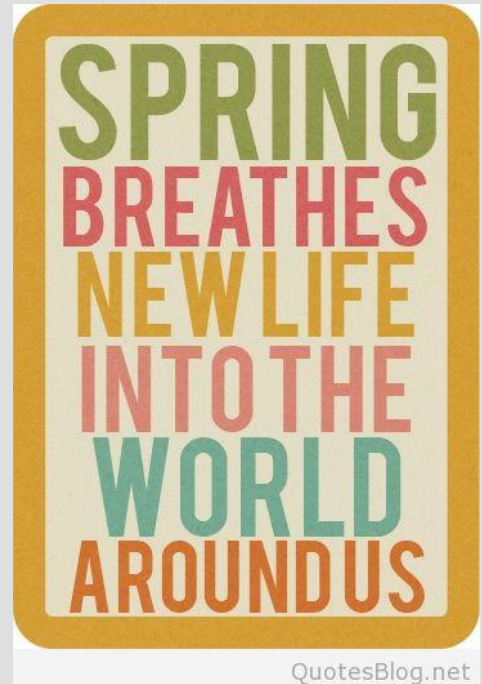
“You need to position the company carefully. Will you be competing on price, or offering a premium service? Will you be an expert or a generalist? You need to consider the long-term strategy of the organisation and ask yourself how you want it to be perceived in the market. The bigger the company becomes, the harder it is to change direction.”

"HAPPY SPRING"

"For happiness one needs security, but joy can spring like a flower even from the cliffs of despair. "
Anne Morrow Lindbergh



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