Breakthrough Leadership

By: Rick Holbrook

"The bottleneck is always at the top of the bottle."
—Peter Drucker

I've long been fascinated by how some entrepreneurs grow their business significantly, but the majority don't. What I learned during my corporate career with a very successful, entrepreneur-led growth company—where we grew 50X during my time there—is that a key differentiating factor is the leadership philosophy of the entrepreneur and their willingness to learn the new leadership skills required to significantly grow their company. This experience has been reinforced by my more recent coaching experience with more than 100 business leaders and executives.

Simply put, my belief is that the leadership philosophy and skills demanded of an early-stage entrepreneur leader are not the same as those demanded of, say, the CEO of a publicly traded company. If an entrepreneur is to grow their business 50X and avoid becoming the bottleneck of their company's growth, they must be willing to challenge their beliefs and learn new skills.

Before we get to looking at the specific leadership skills required, and those that will need to be adapted, I think we should talk about the right leadership philosophy to 50X. Do you aspire to grow your business 50X? What's your real purpose in building your company? Are you trying to solve society's problems? Or perhaps you're trying to improve your community? Are you trying to improve the lives of your employees? If you have the will to grow your business 50X, then answering these questions is key to adopting the right leadership philosophy to 50X.

Another fundamental question to answer is who's more important, you, or the company? (Hint: if you want your company to grow 50X, it's not you!) Breakthrough companies tend to be created and led by people who are determined to build something bigger than themselves, notes Keith McFarland, author of the book, *The Breakthrough Company.* While our culture seems to perpetuate the myth of the Lone Ranger leader, it's the efforts of many leaders that contribute to a company's growth and success. Breakthrough leaders fundamentally understand that people would rather serve an institution they feel connected to and that has a purpose they believe in than serve as personal minions supporting their leader's big dreams. This can be a challenge to many entrepreneurs, as their personality and beliefs commonly put themselves at the centre of their universe.

There are some other leadership beliefs that entrepreneurs have that need to be debunked and set aside if they're to lead their company to a 50X level. The first is that it's all about being smart and that their IQ is what drives their success. This myth has been debunked more than 20 years ago when emotional intelligence research proved that once a leader has enough IQ to do the job, higher IQ doesn't lead to additional success. While it's often true that when an entrepreneur founds a company, the entrepreneur is the smartest about the business, this commanding style of leadership only applies in a company's early growth stages. Continued successful growth needs a team of smart people pulling together. An entrepreneur who sees themselves as being the only one smart enough or informed enough to make important decisions is problematic. If you're trying to 50X your company, spend time on becoming a better coach and leader of leaders.

Here are some specific strengths, beliefs, and characteristics many entrepreneurs have that will need to be managed correctly so that they don't become weaknesses and work against you as you strive to 50X your company.

ENTREPRENEURS ARE GREAT AT FIGURING THINGS OUT

The problem is they do it by themselves, rarely seeking input or delegating decision making to others. They figure they are, or need to be, the smartest person in the room and have all the answers. To 50X your company, you'll have to get confident enough to hire people as smart or smarter than yourself and create leaders at every level in the company. Most entrepreneurs stumble on this step. They build dependent teams who stand around waiting to be told what to do. What entrepreneurs need to 50X a company is to learn to build and lead a team of other leaders. Doing this requires that they develop skills many entrepreneurs don't have; that is, to delegate effectively and consciously drive decision making to the lowest level possible in the company. Skills like listening and challenging people to solve their own problems rather than taking the problem away from them and solving it themselves.

ENTREPRENEURS ARE OPPORTUNISTIC

Many entrepreneurs prize flexibility and adaptability and can change directions at the drop of a hat. Many believe being opportunistic is critically important to their success. While being slow to change is not a good leadership strategy, the unintended consequence of being opportunistic is not wholeheartedly committing to anything. This belief devalues the disciplines of planning, execution, consistency, and creating a strategy, all of which are required of breakthrough leadership. A good strategy says no to many good opportunities so that you can say yes to the great opportunities.

THEY'RE GREAT UNDER PRESSURE.

If there's a shot to win the game or carry the day, the entrepreneur wants to be the one taking it. They're great under pressure and score much higher in tests of this characteristic than do the CEOs of much larger companies. They also want to exert a high degree of control. Again, these strengths can become weaknesses on the journey to 50X the company as they translate to leaders "calling their own number" too often—the exact opposite of what's required to build the high-performing team necessary. Hiring people with the knowledge and skills to be leaders and then not allowing them to do so is a common problem and cause of executive turnover.

THEY'RE OFTEN TOO LOYAL

This often manifests itself as being too slow to make difficult personnel decisions when they involve long-standing employees. Coupled with the items noted above, these traits lead entrepreneurs to tend to underinvest in the professional development of their current leadership team, leaving team members lacking the necessary skills to lead the 50X effort.

Although it might seem that an entrepreneur can't scale themselves to 50X their company, this is another myth. I've worked alongside and personally know some entrepreneurs who've done it. Moreover, Keith McFarland's research is clear that entrepreneurs can play an important role in creating a 50X company if they accept they will need to adapt their beliefs and learn the skills necessary to avoid becoming a bottleneck. ◆