Self-Assessment Scoring Key and Action Plan

Growth Stage Score Range	My Score
Architect 25 – 44	
Engineer 45 – 64	
Conqueror 65- 84	
Conductor 85- 104	
Renovator 105 – 125	

The Architect

(Validate the Idea)

You are at the beginning of the quest to build a sustainable and enduring company. The business idea is in the process of being vetted and market-proven. As a person, you are energetic and driven. No mountain is too high to climb. You view the world to be exciting and the opportunities endless. You are a strong conceptual thinker, able to see the forest for the trees. You see clearly when others do not. The entrepreneurial spirit lives strongly in the way you approach life and business.

The opinions you hold are strong, reflective of a confidence that few others possess. Because of this self-assurance, others may see you as stubborn and sometimes even egotistical.

Because your company is at the beginning of its journey, there is much to do. To this point, most of your time has been spent building and reshaping the business idea. You have spent endless days and meetings with potential customers pitching, getting business refusals and repitching the business. It's likely that you are the sole employee or at most, have banded together with one or two more people. Your company mimics your personality and style. There are long hours with little return. Despite that, there is a spirit of adventure and camaraderie. If you do have partners, it's likely that they have complementary skills.

Everything is run by the seat of your pants. There are no formalized processes and everyone wears many hats. The business is structured around the people involved in the business. Your market and product knowledge is largely intuitive and anecdotal. Opinions and processes and even products can turn on a dime, often do in reaction to a customer whim. There is no planning and if you have orders, you are likely living from order to order.

At this stage of development, the future is yet to be written, so keeping open to ideas is critical. Experimentation is at its' highest level. You are building an informal advisory to help you in developing areas. Informal networks and customers are being used to fine-tune business ideas and prospects. Also through trial and error, you are perfecting your "pitch". Pricing is being tested, as are a number of other business processes. Distribution, production, customer service processes are all in flux. Feedback on your offering and go-to-market processes is extremely important.

As with any organism, this early stage has the most tenuous hold on life. Landmines and death threats are everywhere. The most critical element…the lifeblood is CASH! Have it, you survive. The greatest death threat to any early stage business is lack of cash to run the business.

Other landmines…perfectionism. Endless tinkering with ideas, stalling to make ideas perfect, stalls critical sales for cash infusion as well as the need for market feedback. You won't get it right the first time. Forget it. Nike said it best…just do it! The market will teach you have to adjust your product and services. There are many others. VCs who don't share the vision of the company and drive it too hard. Inexperience of the founders. Mistakes can blow up the liquidity in the business. Founders lose patience. Lack of focus….the shiny object syndrome that many early businesses and entrepreneurs face. Flawed ideas, poor market knowledge, overzealous discounting for business, poor planning. *Few survive this formative stage.*

The Engineer

(Build the business system and organization)

You've survived the early days! Your company is becoming increasingly focused and understands its' market position and offering. As a leader, you feel confidant and even arrogant, now that you've been able to prove the sustainability of the company. You are passionate and driven. There is an evangelical side to your belief in your product or service. As a leader, you have built self –knowledge and have started to reach out to improve your external network. A formal Advisory group has been in the works, if not established.

Many of the entrepreneurial characteristics that you exhibited in your early days are still in evidence, although tempered by learning and experience. You've had to move from dreamer to doer or may have hired somebody to help with the heavier lifting. The key focus for you and the company is building out the go-to-market systems and processes. The business still reflects your personality and style. You are on-boarding new people as the company grows and it feels much like a family. The hours are still long, but there is a feeling that the work is contributing to a higher purpose, so somehow the long hours don't seem so bad. Communication is still pretty informal, and people still wear many functional hats. Most gravitate to the tasks they enjoy most. There aren't many formalized job specifications and many business processes are rudimentary.

From a customer standpoint, order patterns are becoming established. Unlike the early days, you have moved beyond a few customers representing the bulk of your business. Unfortunately, this comes with a loss of customer intimacy, although the upside is that you are becoming increasingly more objective about the type of customer you'd like to have. You have established some forecasting and fulfillment systems and you are starting to create "manufacturing" standards and are focused on streamlining production. Cash is still king. Although you are beyond living customer cheque to cheque, your working capital needs are high and surprises can happen. Because of that, you are developing more detailed forecasting, financial and cash flow plans. Expanding market knowledge, customer profitability, lead generation and sales systems is critical. Key functional competence centers around sales, manufacturing and finance.

Survival is by no means a simple task at this stage. Many of the issues lie with the founder themselves. The founders can become decision bottlenecks, requiring all decisions to move through them, crippling the company. Founder conflicts can turn toxic. Arrogance, born of success, can create missteps in planning or in over-confidence. Planning on miracles, betting the farm on long-shot ideas, loss of key employees are but a few issues associated with founder-itis. Equally dangerous is getting the business too far ahead of itself in terms of sophistication. Hiring MBAs sounds like an amusing landmine, but for most businesses of this size, execution is far more important than strategy and most MBAs may know how right strategy but couldn't execute themselves out of a wet paper bag.

Growth itself is one of the key issues to be dealt with. Too high and the business processes and cash can't keep up. Too low is self-explanatory. Employee churn, loss of key experts, new hires poisoning the culture, environmental changes, system flaws and pre-mature process. These are but a few examples of issues that can kill.

The Conqueror

(Diversify and expand the empire)

Your business has grown to a level of complexity that likely includes geographic and well as product expansion beyond the core. The founder finds (or will) find the management requirements of the business an increasing challenge. This is the great divide… the divide between the professionally managed firm and that of the entrepreneur/founder. Many businesses fail at this stage primarily because the founder remains in control and is not willing to change the way the business is run. To succeed, the business needs a very different operating model. Leadership needs to start working on, not in the business and the business needs to morph into a disciplined, professional operation. Those who are unable or unwilling to make that change will often see their businesses fail or be sold off.

This is a very vibrant time for the organization. It is growing and expanding quickly. The focus of the leadership is becoming more strategic. Leadership need to improve self-knowledge and start turning outward to develop a network outside of the immediate industry. The urgency for growth to fund the business activity is reduced and the organization is beginning to turn inward to build the discipline and process needed to handle the increasing complexity. Decisions are becoming increasingly fact-based and the culture becoming more formalized. Facts trump passion. The core focus that was in evidence earlier on in the organization's life is expanding to include other activities and lines of business. A bottom versus top line orientation is emerging. People systems are becoming refined with functional expertise increasing. More and more employees are also being on-boarded from outside the organization which has the impact of diluting the strong culture.

New beachheads in with the business and customer base are being established. Functional expertise is being developed, as is in-house internal communication. The pace of growth is forcing trade-offs in priority. Planning and priority-setting is increasing as a need. Feedback is harder to come by, both internally and externally. Customer intimacy is declining as the organization starts to create its' own eco-system. Innovation is becoming less intuitive and more structured.

Danger signs are starting to emerge as the organization hits the zenith of its growth. A number of potential landmines exist. Leadership churn is a clear danger as founders turn to the first "outsider" to run the company. Rifts between owner/founders and the new professional managers can emerge for a number of reasons. The founder can't let go. Professional managers are brought in that haven't got the delicate skill balance needed to bridge small and larger organization. Power struggles commence. Core purpose of the organization wavers as new business and geographies are brought into play. Focus is diverted from organic to financial growth. New competition emerges.

The Conductor

(Build the hub and align the organization)

The leader of the organization in this stage is a professional manager. The business has expanded well beyond its core geography and product line. Leaders are working on the business and active involvement down into the business is kept to a minimum. Decision-making has been or is being pushed down and out into the organization. Ownership is divorced from management. Formal leadership training is well entrenched at many levels of the organization.

The organization is building and institutionalizing policies and procedures. Communication is formal and systems are becoming more prevalent. Key functions have been or are beginning to become established. People and management systems are being identified and expanded. Professional services, once rented, are being brought into the company. Succession planning, training and development, compensation and rewards systems, training and development are well established. Customer management systems are emerging. Customer segmentation, channel differentiation and competitive analysis and knowledge is increasing. Customer policies are expanded.

From a core process standpoint, many new processes are being developed and introduced. Formalized planning structures are built. Business unit structures are emerging. Strategic planning and resource allocation methodologies are becoming more complex. Manufacturing processes are also being improved. Cost reduction programs such as lean manufacturing become entrenched. Crisis and risk management programs are developed. In the pursuit of growth, acquisitions

The build-up of the more complex organization is also prone to land-mines. Business failure can be sourced from a number of areas. Inexperienced leadership. The attempt to decentralize fails or the leadership is unable to effect a change to a more complex, sophisticated culture. As the centralized control increases to provide strategic leadership for the units, a counter-culture can take hold with the commensurate loss of control. In-fighting between the new “central committee” and those outside head office increases. A “we-them” mentality can set in from the outside –in and inside-out. Increased complexity can also lead to loss of focus and competitive inroad.

With employees, the new culture can also mean loss of purpose or alignment. “Old” employees are lost and with it, corporate memory. Culture and communication networks can fail. Loss of customers also represents a real risk as the organization turns inward. Competition cuts into core product areas, markets can change.

The Renovator

(Create new growth)

There comes a time in each organization that new leadership and a new direction is required to stave off decline and eventual death. In more modern times, the example of this type of leader would be a Gerstner at IBM or Immelt at GE. Tom Collins book, “How the Mighty Fall” speaks to a number of organizations, who, having achieved some measure of greatness, falls. The characteristics of an organization entering this phase has some or all of the following characteristics.

The climate has been stale and toxic. Management and the leadership of the company has emerged with a sense of entitlement (think U.S. automakers). Indeed, the leadership of the company represents more of an aristocracy or a monarchy grown distanced from its subjects. Organic growth is something that is a thing of the past. The inward focus that began with the “Conductor” phase has grown to an extent that the organization has created its own eco-system. Top line growth is failing as it has lost touch with its customer base and market. Self-preservation ranks the highest on the agenda of the leaders, the needs of the organization playing 2nd fiddle to that of the individual. Leadership style turns away from the inclusive, more democratic style to that of autocracy. Big swings and initiatives are introduced to the organization with increasing frequency…and with it failure and leadership churn. The organization is spiralling in on itself.

Glory days are recounted with longing. The greatest focus is on reliving the past versus building the future. Employees turtle. Communication is formal. Excessive resource layering and delayering intitatives abound. A strong underground swell of rebellion starts to grow. Cost imperatives become the focus, with a declining marginal return. More and more resources are needed to generate fewer and fewer cost savings. The end is nigh.

The Renovator could just as easily be called the Phoenix…creating growth out of the ashes of the former company. Creative destruction is required to get the company back on its’ feet. The “old” needs to be rooted out and the cancer fully and surgically removed. New blood needs to be sourced. The rank and file need to become believers after sometimes years of “the next new initiative”. Innovation must be rekindled, most often starting with slow steady “small ball” gains rather than whole-sale rejuvenation programs. Old processes and beliefs must be destroyed and replaced with hope. Customer connections must be rebuilt and/or new customers enlisted. Leaders must make the reconstruction visible and meaningful. They must start remaking the company from the outside-in and re-purpose the organization.

Creating Action

Take 10 minutes to review your individual answers. From this review, capture your key observations; implications and begin to build a set of actions you will set in place to address those areas you have identified.

Observation	Implication	Action