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Building leadership in a young company takes risk

When you're building an organization, one of the biggest challenges you will face is moving your employees up the proverbial ladder. In a startup situation, you may not have the resources to bring in highly experienced managers from the outside, so how do you instill leadership? How do you build a management team? How do you take employees from a direct role to a management role, and create depth within your organization with limited manpower?

As a startup, the lion's share of your time and energy is spent trying to stay ahead of the market, reinventing yourself to remain competitive, and building enough brand equity to establish a foothold in your industry. Without strong visionary leadership, none of this is possible.

A dynamic management team doesn't come together overnight. If you haven't taken a tiered approach to building your organization from day one, eventually there will be more holes in its infrastructure than you can mend.

Especially when you are in startup mode, when resources are at a premium and turnover is higher, it is essential to create layers and depth. If you don't, even "normal" turnover could be devastating. The departure of just a single manager could result in the collapse of an entire team.

This kind of a catastrophe decimates morale and can set you back for months, but it can be avoided. Expect a certain number of employees to leave the company within the



INSIDER VIEW

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first year or two. Be ready for it. Develop a contingency plan. If you groom your staff for leadership roles, there will always be a pipeline of capable candidates who can seamlessly transition into available management positions.

Although it seems logical, promoting your top performers is risky, if not downright scary. When you bring a talented producer into the management fold, there is a very real possibility that you will be taking sales off the board. Not only that, but the qualities that made them a sales star may not be the same skills they'll need to teach, mentor and motivate someone else to achieve at the same high level.

But taking calculated risks is mandatory for every successful business venture in order to grow. And, according to Dr. Michael Watkins, author of "The First 90 Days," a book of critical success strategies for new leaders, companies "need to move their best people through positions of increasing responsibility to develop them. If they do not do so, they risk losing their best talent to competitors."

In addition to tapping top performers on the shoulder, there are other ways to build depth at all levels of your organization. Here are some guidelines: Set expectations immediately. Give new employees a career path the minute they walk through your door. Build belief in your organization and position new hires for success.

Create a rigorous training program that prepares up-and-comers for promotion. Recognize those who "step up." As Author Bill Lee notes in his book "30 Ways Managers Shoot Themselves in the Foot," one of the problems with many businesses today is that managers receive promotions based on tenure, not talent. Don't make this mistake. Reward those who can take your organization to the next level.

When you've reached a critical mass of about 30 people, there are new challenges to consider. You have organizational depth, but now need to ensure your clients receive the same consistent level of service across the board. At 60-plus, you should have adequate manpower and a well-rooted infrastructure. Don't lose site of what brought you to this point. It is the strategies employed in your earliest days that lay the foundation for future success.

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