



Excerpted from
FastTrac® GrowthVenture™

Taking Action

Filling Management Roles

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Knowing what you need in management team members begins with knowing yourself. What skills, knowledge, and expertise do you bring to the venture? The Leadership Scorecard will help you assess your interpersonal and communications skills as well as your ability to lead and inspire. In addition, consider what functional skills (such as management, finance, marketing, and sales) as well as specific expertise (such as operations, distribution, negotiations, and raising capital) you possess or need. Think about the skills your business needs now and those it will need as it grows.

It can be challenging to transition from a very small organization that relied extensively on one or two people to that of a functional, professional management team. The natural tendency for many entrepreneurs is to hire individuals very much like themselves. Although similar values are important—commitment to the organization's growth and high standards of achievement—different backgrounds and skills are critical to balance, strengthen, and grow the organization.

Because of the fast paced, sometimes chaotic environment in which a growing business operates, you need team members who have conceptual and creative problem solving skills, function well within flexible, rapidly changing work and market environments, and are able to manage multiple tasks, viewpoints, and sometimes conflicting priorities. As individuals join the team, identifying their areas of responsibility and delegating authority is critical.

A classic trap unwary entrepreneurs fall into is placing close friends and family members in key positions because they are convenient to hire or because of a sense of obligation. You must have good reasons to support the hiring of each member of the team. Only hire management team members who have a track record to prove their talents and have the training and skills to do the job.

Every new manager you add will affect the work of the rest of the team, so think through, reorganize, and redefine the roles and responsibilities of each member of your management team. When you create job descriptions you will define the roles and responsibilities of your management team. It is important that each member understand their specific role, responsibilities, and duties.

New roles necessitate that you clearly communicate these changes to the entire organization. As you expand the leadership role of your managers, help them develop through coaching and regular performance reviews.

Once the team is in place, many entrepreneurs fail to optimally use them by continuing to make many decisions in isolation. An attitude of "I know what it took to get here and nobody knows this business as well as I do" both discourages input and causes the entrepreneur to discount what feedback is given.

TIP Create a management team that shares your core values and your vision for the business—people who will respect and trust each other's decisions.



Make the most of having a management team with these suggestions:

- Keep team members current on business and market developments.
- Seek team member input when you develop your vision and plan to achieve it.
- Update team members on the company's progress towards its goals.
- Solicit input on key decisions.
- Periodically assess the needs of the organization and talent, skills, and structure of the team.
- Respect lines of authority and structure instead of circumventing the predetermined structure.

Leadership matters. You and your management team set the tone for your entire organization. The vision, goal setting, and strategy building you have worked on in this program can either be achieved or destroyed by the quality of the people on your management team. Be intentional about hiring and organizational team building. If you can't hire team members for every functional aspect of your business, you can consider using some resources from the outside.