

# LEADERSHIP

## ACROSS THE STAGES OF GROWTH

	OWNER-CENTRIC		ENTERPRISE-CENTRIC				
			MANAGEMENT TEAM		LEADERSHIP TEAM		
	STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5	STAGE 6	STAGE 7
STAGE NAME	Start- Up	Ramp- Up	Delegation	Professional	Integration	Strategic	Visionary
# OF EMPLOYEES	1-10	11-19	20-34	35-57	58-95	96-160	161-350
# OF MANAGERS	0	1-2	3-5	6-10	11-16	17-26	27-45
# OF EXECUTIVES	1	1	1	2-3	4-5	6-8	9-15

## OWNER-CENTRIC

When a business is in the early Stages of 1 and 2, it is Owner-Centric, meaning that it revolves around the owner. It's important for the owner to develop one to two managers in Stage 2 to prepare for the next stage.

## ENTERPRISE-CENTRIC

As a business moves into Stage 3, it becomes Enterprise-Centric. The organization can now stand apart from the owner, thanks to delegation (which is the theme for Stage 3). A Stage 3 business should have between three to five managers to fully make the transition to being Enterprise-Centric.

## MANAGEMENT TEAM

The Management Team is established in Stage 3 and begins to be professionalized in Stage 4, by which point it should include six to ten managers and two to three executives. During Stage 4, the Management Team is investing in the systems and processes of their departments to establish the foundation the organization needs to support future growth. These efforts can create a siloed organization because managers are stepping up and taking on more formal ownership of their departments. That's why Stage 5, which is all about integration, marks the transition to a Leadership Team.

## LEADERSHIP TEAM

The Leadership Team is the group of executives who leads the Enterprise-Centric organization. As the company grows into Stages 6 and 7, the Leadership Team is critical to keeping things running smoothly so the CEO is freed up to focus on strategic vision and planning. Stage 7 recaptures the innovation of earlier stages (but only if the leader can make it a priority).

## THE IMPORTANCE OF PROPORTIONATE LEADERSHIP GROWTH

This tool represents the ideal—how a management and then leadership team will ideally grow proportionately to the organization. Oftentimes, though, this is not the reality.

A Stage 3 CEO who has not developed any managers and refuses to delegate will end up overworked and burnt out. By recognizing that delegation helps to prepare for future growth, the CEO can stay focused on keeping the business moving forward and not get mired in the increasingly complex day-to-day details.

Similarly, if the Management Team isn't growing with the business, a Stage 5 CEO will be stretched too thin. A leader in this situation is either burnt out or is headed that direction. A single person, no matter how capable, simply can't handle alone all of the complexities involved with this number of employees.

Some organizations make it all the way to Stages 6 and 7 without a strong Leadership Team. Again, the CEO will be stretched too thin, exerting all of his or her time and energy on managing the managers. Instead, the CEO should be dedicating energy to the strategic vision and the planning for the business.

Regardless of which transition point it happens, businesses stagnate under these circumstances. The lack of strong leadership leads to chaos, disconnected and disengaged employees, and a loss of vision and purpose. Proportionate leadership growth allows for the organization to stay healthy and on track throughout every Stage of Growth.

