



A Special Report on

THE 7 STAGES OF GROWTH



STAGE 3: THE ART OF DELEGATION WITH 20 – 34 EMPLOYEES

STAGE 3

THE ART OF DELEGATION: 20 – 34 EMPLOYEES

SPECIAL REPORT ON THE 7 STAGES OF GROWTH

Great job! You have made it to Stage 3. During Stage 1, you developed a business model that works. In Stage 2, you ramped up your sales, production/capacity and staff using your proven business model. Now in Stage 3, you will be confronted with extreme change. Fasten your seatbelt – you have just come through a Wind Tunnel. A Wind Tunnel requires you to let go of methodologies that no longer work and acquire new ones that do.

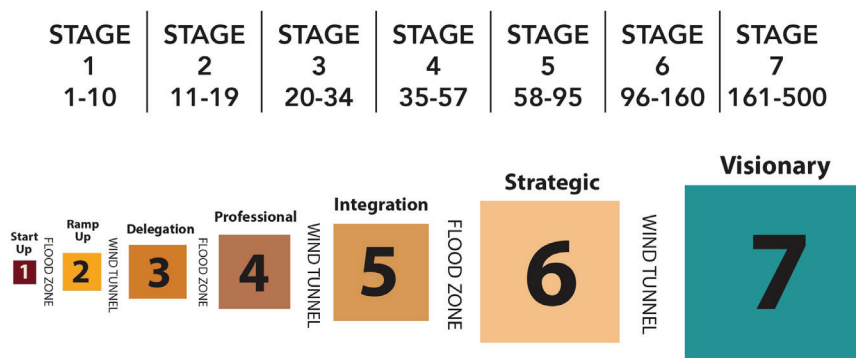
Stage 3 is perhaps the most treacherous stage of growth to navigate and has the ability to create all kinds of growth trauma. As you will learn, Stage 3 is all about transitioning the organization from CEO-centric to Enterprise-centric.

This Special Report is based on our proprietary and highly effective 7 Stages of Growth business model, developed by James Fischer. Fischer created the 7 Stages of Growth business model based on extensive research of entrepreneurial companies. His research demonstrates that as companies add more people, the complexity level of the organization increases. This report contains critical information that will help you:

1. Predict how growth will impact you.
2. Adapt your leadership skills, knowledge, and insights to your specific stage of growth.
3. Focus on the right things at the right time.

Because each business and its team are unique, this Special Report may contain some information that does not apply to you and your business, but most of it will. We hope you find the takeaways helpful.

THE 7 STAGES OF ENTREPRENEURIAL GROWTH



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What you are probably experiencing:

As a Stage 3 business in the Delegation phase, you are likely experiencing a number of the following. If you are not, it may an indication that the company has not yet matured into a Stage 3 business.

| AREA | DESCRIPTION |
|-----------------------|--|
| Employees | You have 20 to 34 employees. |
| CEO/Founder | You find yourself having to manage people more than being the Specialist you used to be. The fun of growing the business might be fading as you encounter more and more people problems. You may be experiencing some entrepreneurial burnout. |
| Team | You have 3 to 5 managers. You have a team that is trying to gain more autonomy in order to assert their own expertise. They might be revolting or threatening to revolt. You are probably experiencing the pain of not wanting to let go of employees who no longer fit. |
| Climate | There is a lot of confusion due to (a) lack of company-wide clarity on who is responsible for what; (b) who has authority for what and (c) tension in the air as you and the organization are being stretched. |
| Business Model | You are using a successful business model, but you continue to explore other market opportunities. |
| Systems | Routines and systems are still evolving and in flux. They are not yet set in stone or well documented. |
| Cash | Cash is tight as working capital needs grow from increased sales volume (A/R, Inventory increases) and payroll. |
| Focus | You're trying to keep your arms around the business while letting go of more responsibilities. |

Stage 3 is a critical time in a company's stage of growth; it's no longer all about the CEO. The company is too large for the CEO to hold all the reins and it's time to start letting go of certain responsibilities and surrender authority to capable employees.

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Your primary goal:

As you move into Stage 3, your primary goal is to undergo major transformation from being an entrepreneur to becoming an operational manager (or overseeing an operational manager). In order for the organization to successfully grow, you must “let it go to let it grow.” The organization will become larger than what you might be ready for.

Becoming Enterprise-centric means the organization is built around your team. You have to learn how to manage the big picture and effectively delegate responsibilities and authority to others. You’re in the process of downloading your knowledge so it becomes part of your team’s collective intelligence. You have to start trusting, believing, managing, training, teaching, coaching, rewarding, caring and communicating with each and every person in your company. This is a very difficult transformation for most CEO’s/Founders and many don’t make it. If you are having trouble making the transition, get help.

Strategic & Leadership Perspective

The Strategy for Stage 3 has to be focused on creating a “fully engaged team that is ready to win.” Every one of the top challenges in this stage creates another layer of complexity. In Stage 3, each challenge (staff buy-in, the leadership/staff communication gap, a weak profit design, the company is resistant to change, core values unclear) requires you to let go of your past leadership techniques and allow more people to participate in the company’s planning and growth. This is a big transition.

Stage 3 also means investing in specialists and managers to grow your company. Your qualifying and hiring process, which you improved in Stage 2, is now essential to your success. Roles and responsibilities must be defined. If you are still hanging onto a more commanding leadership style, you will begin to lose good people.

Success in Stage 3 comes from changing your approach and communicating regularly at a high level. Promoting participation and engagement is expected. You’ve brought on capable people who need to be heard. Further, establishing, testing, and implementing your top processes are essential.

Recognizing new challenges and knowing how to address those challenges is your top priority. Your focus must be on people as you witness your company moving way beyond your control. Your best approach is to learn the art of delegation, hire capable people, set clear expectations and manage those expectations.

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Your biggest challenges & most important activities:

Your biggest challenges in Stage 3 will likely include at least three of the following. We have provided several actions you should consider to overcome the challenges.

| CHALLENGE | ACTIVITIES TO MEET THE CHALLENGE |
|---|---|
| Staff Buy-in | <ul style="list-style-type: none"> Clearly define and articulate the company's vision/mission. Develop clear roles and responsibilities for each team member. |
| Growing Leadership/Staff Communication Gap | <ul style="list-style-type: none"> Reinforce and support effective one-on-one weekly meetings between supervisors and their team members. Create accountability measures to focus on key performance indicators that support company goals. |
| Improved Profit Design | <ul style="list-style-type: none"> Challenge all previous assumptions about your business model. It can be improved. Challenge your team to find ways to reduce expenses. Make it a team effort. Develop a customer intelligence plan and process. Upgrade your sales system. |
| Unclear Values Throughout the Organization | <ul style="list-style-type: none"> Clearly define and articulate the company's values. Integrate the values into all aspects of the business. Regularly recognize team members who emulate the values. Consistently preach and demonstrate the values. |
| Company Culture is Resistant to Change | <ul style="list-style-type: none"> Hold monthly company meetings to share vision, values and goals. Discuss goals and challenges often with employees. Explain how the company is managing its growth. |

All of the above are part of a business maturing from a CEO-centric organization (Stage 1 and Stage 2) to an Enterprise-centric organization. They are necessary to bring your team into alignment with the company's vision, mission, strategic distinctive, values and goals.

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Tools you should be using to build your business:

As the CEO/Founder, you should be wearing the following leadership hats to lead the team.

| LEADERSHIP COMPONENT | DESCRIPTION |
|-------------------------|--|
| Leadership Modality | <ul style="list-style-type: none">• Facilitative - This piloting-oriented modality is best capsulated by, "Let's head in that direction. How can you help us get there? How can I help you take us there?" |
| Roles | <ul style="list-style-type: none">• Manager (managing people) – 60%• Technician/Specialist (doing the stuff) – 30%• Visionary (creating, revising, casting) – 10% |
| Leadership competencies | <ul style="list-style-type: none">• Accurate self-assessment• Achievement• Developing others• Conflict management• Teamwork and Collaboration |
| Builder/Protector Ratio | 1 to 1: A delicate balance is needed as key employees step up to more decision-making responsibility and you work to encourage autonomy, while helping new managers gain confidence. |

Stage 3 asks a lot of the CEO. If you don't understand whom you need to become, you will find your growth coming to a screeching halt. Why? Because the business can no longer successfully grow using the same approaches that worked before. Remember the Wind Tunnel? The business must be re-tooled for the level of complexity you have reached. It is a difficult time and your employees will feel these changes sooner than you will. Your best defense is a sound offense.

You will encounter anxiety because people tend to resist change. Many employees will feel insecure because you are bringing on more experienced people, which can create a culture of fear. Confusion and chaos can impact productivity, performance and profitability. Because it is hard for a CEO to let go of control, the more experienced employees will rebel against the micro-management tendencies that are typical in this stage of growth. You might even be facing a staff revolution as people assert their authority and responsibility without the support of management.

Your influence in the business at this juncture must be Facilitative. Instead of having all the answers, you need to feed the empowerment of your team by encouraging them to think on their own. When they want your direction or opinion, your response should be, "How do you think we should handle that?" In order to avoid a revolt, you will need to (a) have an open door; (b) communicate often with your entire team and (c) continually encourage, gently exhort and affirm your staff.

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With departmental divisions forming and people specializing in different aspects of the business, 60% of your time should be spent coaching key employees and managers; to help them successfully take on more responsibility and authority. The Specialist role that dominated Stages 1 and 2 is diminishing (30% of your time), but you must continue to monitor how well your products/services are relevant in the ever-changing market and continue addressing your customer needs.

The Builder/Protector Ratio (BPR) is a measurement of Confidence vs. Caution. It is a critical tool to help assess the business's ability to accept change, respond with confidence to change and successfully navigate the change. Builders thrive on risk, are always looking for new opportunities and do not cower to the overwhelming issues that confront them every day. On the other hand, Protectors thrive on caution. They prefer to apply the brakes (and should be encouraged to do so when appropriate).

In Stage 3, as the company shifts from CEO-centric to Enterprise-centric, the BPR should be 1:1. With all the change required to achieve an Enterprise-centric status, now is the time to be equally aggressive and cautious. Becoming less aggressive might be a challenge for you, but this is important for your team to become confident in their roles, responsibilities and ability to make decisions.

Five non-negotiable rules for Stage 3:

There are five non-negotiable rules for each stage of growth. The effective completion/implementation of these five rules increases the likelihood of continued survival and financial success.

| AREA | NON-NEGOTIABLE RULE |
|-------------------------|---|
| Delegation | Release responsibility and authority to capable supervisors and then lead them. |
| Financial System | Create a sophisticated financial tracking/reporting/forecasting system. |
| Team | Create a team-based mindset throughout the company. |
| Business Model | Overhaul your business model. Challenge every previous assumption. Your business model should address the following: (1) value proposition; (2) target customer/channel; (3) product/service features and pricing; (4) revenue streams; (5) marketing and sales strategy; (6) operations strategy; (7) profitability and (8) cash flow. |
| Unity | 1. Develop (with your staff) the culture statement and core values of your business. 2. Clearly communicate company vision and goals. |

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Building blocks that your business should have or be creating:

Each growth stage has foundational building blocks that must be created and set in place in order to successfully navigate that growth stage and to be prepared for the next stage.

| FUNCTION | BUILDING BLOCK |
|--------------------------|--|
| Delegation System | Develop a system and template for delegation to insure you are maintaining control and supporting your managers. |
| Quality Control | You should have a quality control review and feedback form (work review template) to keep the team on track and held accountable. |
| Team/Staff | Your hiring system should help you identify the skills that are needed and then help you find, recruit, select and hire great employees. You should also have a plan for each employee describing expectations, performance measurements and actions that will be taken to help him/her succeed. |
| Financial | Your financial system should include (1) a one-year profit plan (budget) projecting revenues and expenses; (2) financial model; (3) cash flow forecasting and (4) a dashboard. |
| Marketing/Sales | You should have a well-defined sales and marketing system that your salespeople are using. |
| Support | It is time to get outsourced part-time support, such as a COO, CFO and HR consultant. |

If you don't establish these foundational building blocks during Stage 3 (or the building blocks required in prior Stages), it will make navigating through Stage 4 (and subsequent Stages) much more difficult. In fact, if you do not establish them in Stage 3, your growing pains (difficulties and challenges) will continue to increase until you scream "Uncle!" – and take the time to establish them. So, get these in place now and you will avoid the delays and headaches associated with trying to build on an inadequate foundation.

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Getting Ready for Stage 4:

You will move into Stage 4 (Professional) when you reach 35 employees. The transition from Stage 3 to Stage 4 involves another Flood Zone. A Flood Zone requires you to bear up to an increase in the level of activity. Because you are now looking to hire or train professional managers (who have “been there and done that”) and you have more sophisticated systems, clients and employees, the level of complexity has increased substantially. Your key to success will be how ready you are to set aside your entrepreneurial tendencies to become more operationally focused and spend more time managing your managers and overseeing a team of professional executives.

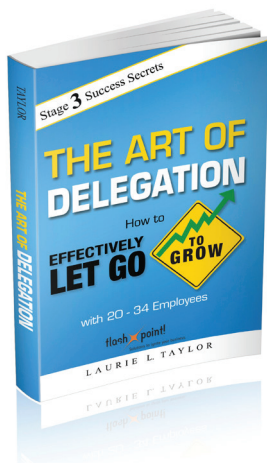
Summary

FlashPoint! was created to help companies just like yours navigate the challenges that are typical for a Stage 3 organization. We have designed programs, services and tools that are directly tied to the issues faced by Stage 3 leaders. By focusing on your specific stage of growth, you are better prepared to identify the obstacles to growth.

Visit our website <https://igniteyourbiz.com> for additional resources.

Stages of Growth X-Ray™: A facilitated workshop with a CEO and his/her management team that gets to the root cause of critical issues in order to create alignment, engagement, and create action plans that get implemented. <https://igniteyourbiz.com/stages-of-growth-x-ray/>

Zeroing in on Your Company's Profit Zone™: A financial literacy facilitated workshop with a CEO and his/her management team that helps every person in the organization understand how, what they do every day, impacts the company's bottom line. This program is about raising awareness and educating your employees on the 9 activities that impact a company's ability to be profitable. <https://igniteyourbiz.com/zeroing-in-on-your-companys-profit-zone>



Looking for a more in-depth understanding of how to address the challenges for your Stage 3 Company? Click on the image and purchase your stage-specific book today!

PURCHASE NOW

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Laurie Taylor, president/founder, FlashPoint! LLC

Laurie Taylor, founder of FlashPoint! helps CEOs with fewer than 500 employees, uncover the hidden agents that are creating obstacles to growth. With an effective arsenal of tools, properly used, Laurie can help a CEO ignite a business, propelling it to profitability, productivity and exceptional performance.

Having taken a company from 2 to over 100 employees and up to \$12 million in sales, Laurie's experience in leading and managing a growing organization and dealing with a downturn that almost sent the company into bankruptcy, she understands the challenges and the ups and downs of business ownership.

While working with James Fischer, the researcher behind the [7 Stages of Growth](#), Laurie became convinced that James' model provided CEOs with a crystal ball into their past, present and future – allowing a CEO and his/her management team better predict how growth would impact the company.

As a speaker, author, trainer and business advisor, Laurie works with companies to introduce them to the concepts of the [7 Stages of Growth](#). She has spoken to over 4,500 CEOs in the past 4 years. Laurie's community of Growth Curve Specialists are experienced advisors certified and trained in the concepts and programs from the [7 Stages of Growth](#). [The Stages of Growth X-Ray™](#) has been delivered in 11 countries and over 2,000 businesses have been introduced to the unique research-based ideas of the [7 Stages of Growth](#).

Laurie is the author of a series of books on the Stages of Growth which help business owners zero in on the specific challenges of their current stage of growth.

All of her books can be found on her website www.igniteyourbiz.com and on Amazon.com under her full name Laurie L Taylor.

[Survive and Thrive:](#) How to Unlock Profits in a Startup with 1 – 10 Employees

[Sales Ramp Up:](#) How to Kick Start Performance and Adapt to Chaos with 11 – 19 Employees

[The Art of Delegation:](#) How to Effectively Let Go to Grow with 20 – 34 Employees

[Managing the Managers:](#) How to Accelerate Growth Through People and Processes with 35 – 57 Employees

[Leadership Integration:](#) How to Cultivate Collaboration from the Top Down with 58 – 95 Employees

[Fostering Happy Employees:](#) How to Ensure Staff Alignment and Engagement with 96 – 160 Employees

[Visionary Leadership:](#) How to Recapture the Entrepreneurial Spirit with 161 – 500 Employees