

INSIDE: Finding Your Business Space – Lease, Buy or Build?

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**The Five Keys
To Great Leadership**

**Weathering The
Fund-raising Storm**

**Navigating The Stages
Of Business Growth**

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SET YOUR COURSE:

NAVIGATING THE THREE STAGES OF BUSINESS GROWTH

BY RON ERNST
PRESIDENT, LEADERSHIP HORIZONS

IN THE NOVEL “Thirteen Moons,” a 19th century American ventures west and finds himself beyond the reach of maps. One moment, he’s charting a course following recorded landmarks, and the next he’s staring at a blank white space.

Successful entrepreneurs often face similar situations. They start their journeys with a plan, vision and roadmap. But then they outgrow the plan, surpass the vision, and stumble onto the edge of the mapped world as they know it.

This is when many entrepreneurs say, “There’s no way to plan in this business. The future is too unpredictable.” It feels like strategic vertigo.

Those entrepreneurs are wrong. Entrepreneurial growth is predictable. In fact, most organizations pass through three distinct stages of growth. The entrepreneurs who survive are the ones who embrace the pattern, know what to focus on and ignore at each stage, and lead accordingly.

Stage 1: Startup

This is the fun time. It’s characterized by your first sale, your first bank deposit and the exhilaration of creating a business. You have freedom, a “can-do” attitude and the willingness to do anything for a sale.

It’s also a scary time. You need an ongoing revenue stream and you’ll do what it takes to get it. When that stream comes primarily from repeat sales, you’ll know you’re heading into Stage 2.

Stage 2: Validation (and Adolescence)

You’re really in business. You have a steady revenue stream, satisfied customers and repeat business. And you begin to feel some adolescent restlessness. You miss the thrill of that first sale, and dislike the bankers, lawyers, accountants and demands for organizational infrastructure that took its place.

This is when you must transform your thinking and leadership style. Stop reacting to today and start creating a tomorrow. Resist sales at any cost and focus on return on investment. Stop being the “lone ranger” and start building a strong management team. Recognize that the skills that got you to Stage 2 will not carry you to Stage 3.

Unfortunately, most of this won’t come naturally because it runs counter to what attracted you to the entrepreneurial world. It requires



rules, policies and procedures and a perceived loss of personal freedom. But if you don’t adjust, you’ll risk everything.

While the transition from Stage 1 to Stage 2 is evidenced by repeat sales, the transition to Stage 3 is quite personal. It’s an “inside” job for the entrepreneur.

Stage 3: Conscious Growth

This stage is characterized by creativity, innovation, experimentation, solid team building and, yes, policies and procedures that ensure sustainability, resiliency, consistent growth and profitability. The organization becomes self-reliant — no longer dependent on you for success. In essence, the organization has moved through its own adolescence and has “grown up.”

Of course, knowing these stages exist is only half the battle. You’ve got to figure out where you are in the process to anticipate what comes next. This is where many business leaders fall short. They redouble their efforts with skills that are no longer right for the job.

Which, to me, sounds a lot like facing a distant frontier. In both situations, you’re staring at a blank piece of paper and trying to chart a course. That might be a great way to start a company, but it’s a terrible way to run one. ■



Ron Ernst, Leadership Horizons, LLC

969 Keystone Way, Suite 140 | Carmel, IN 46032 | (317) 844-5587
IncCoach@earthlink.net | www.LeadershipHorizons.com | www.RonErnst.com

Ernst is an executive development consultant, seminar leader, author, and speaker based in Indianapolis. He has coached first, second and third generation executives in a variety of firms and guided entrepreneurs through various stages of growth. The executive development workshops based on his book “RealTime Coaching” have been attended by more than 3,500 managers. His newly released book “The Conscious Entrepreneur” is the basis for his article. He has appeared as a guest on radio programs across the nation and has made more than 50 keynote speeches. His work has been profiled in such publications as *CFO*, *Nation’s Business*, *The Indianapolis Star*, *The Arizona Republic*, *Entrepreneur Magazine*, *Indianapolis Business Journal*, *Indianapolis Monthly* and *Indianapolis CEO*. Currently, Ernst is president and founder of Leadership Horizons, an executive development consulting company founded in 1983.