

Hi everyone. This is Wayne Rivers at FBI, where *We Build Better Contractors*.

This week I want to talk about making the transition from entrepreneur to executive. Sounds enticing. It's inspired by an article from Entrepreneur Magazine in May of 23 by Clate Mask. I think I said that right. There's a tipping point in the lifecycle of any company, construction companies in particular, and Doug Tatum wrote a book, gosh, in the early 2000s, *Too Big to Be Small and Too Small to Be Big*. Actually, the title is *No Man's Land*, but the subtitle, *Too Small to Be Big, Too Big to Be Small*. Really a great book. How do you know that you're at that inflection point? That tipping point? Okay, here's a few signs.

You're working way too many hours. Your home life is in disarray. You're feeling exhausted or maybe burned out. Your reporting systems are inadequate. You're not sure where the money's going, you're not sure where you make money and where you lose money. It's hard to pin down. Things are constantly falling through the cracks. You're getting more complaints from your customers and trade partners. You feel out of control, and you don't really see a path forward. When you have those symptoms, you really need to take a step back and reassess, because you're at that inflection point. You might be too big to be small now, or you might be too small to be big, if that makes sense, okay?

Now, what about this is important to you? Well, I think every construction firm, as they grow, experiences these inflection points, and as you grow from 10 to 20, from 20 to 50, I think it's multiple inflection points that you experience, and you've got to take a step back, really reevaluate and reinvent the company. You've got to build that infrastructure that you need. Nobody builds a 10-story building with a three-foot foundation, right? If you're going to build a tall building, you have to have a great, solid, firm foundation, and as you build your company upward in volume or complexity or whatever, you've got to have that infrastructure in place, or that's going to be a pretty unstable structure.

Four quick tips for what you do about it when you get to that inflection point, okay?

You need help. Number one - shift your mind. Contractors tend to be rugged individualists. I don't need help. I can do this. I'm not going to the doctor. I don't need help. Shift your mind. You need help. Whether you need more employees, whether you need more senior leaders to be alongside you, whether you need outside help, that's TBD, but you need help when you're having these symptoms.

The second thing is, emotionally disconnect from what's happening. You've got to be rational and use great judgment here. There again, maybe you need outsiders, a third-party objective person to help you with that, but kind of get the emotions out of it if you can.

Number three, assess your vision of where you want your company to go. Is your vision yours alone? Are you on this path all by yourself? Or is your vision something that can be co-created with other people in the organization? Can you amend the vision? Can you shape the vision to give you more of what you want in life and less of what you don't want? Do the people in your organization have alignment around your vision and mission and other things? If they don't, then you're going to have a very chaotic existence as you try to get to that next plateau.

The fourth thing, I don't even have to say it. Utilize a strategic planning process to get you where you want to go, to get the best thinkers in your organization on this topic, on this subject. Where are we going? How are we going to get there? Who do we need to help us get there? What systems and processes and technology do we need to get there? Those are all very, very difficult questions to answer, but the process of planning, mapping out the strategy for your company for a different future, is one that will serve you well.

We'll make this slide available in the link. Now, you think we're coming up with these things all the time. Dennis came up with this slide. Dennis joined us in 2001. I think he came up with this slide in 2003 or 2004, and we really haven't changed anything on it, but it talks about entrepreneurial style of leadership and management, versus the professional style of

leadership and management, so just a few quick things with respect to culture. Entrepreneurs have loosely defined family-oriented cultures. Professional managers have well-defined, intentional, performance-oriented cultures.

The second thing, leadership. Leadership is ad hoc, laissez-faire in entrepreneurial companies. It's very personal. In fact, it could change day to day, depending on the personality of the senior person. Professional management organizations have consultative or participative leadership. They develop leaders in the organization. Planning, ad hoc. Entrepreneurial organizations' planning is only when we need it. Only when the fire breaks out, only when the emergency is staring us in the face. Then we'll take time to maybe plan a little bit. Planning is a formal, systematic undertaking in a professional company.

So, this is well worth getting, discussing, sharing in your organization among other people. Download the slide. Happy to talk to you about it sometime if you like. This is Wayne Rivers at FBI, where *We Build Better Contractors*. And don't forget about the final Boot Camp of '23 in Raleigh in November. Thank you.