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## When Founders Don't Let Go

One of the most significant, and difficult challenges within a growing organization is the evolving role of leadership. Given its growth, the founder has obviously been successful. Yet, there is also a realization that things aren't what they used to be. The organization is larger, more complex, with more people and more customers to serve. Things need to become more efficient and consistent. There also seems to be tension brewing between newer employees and staff that have been there since the beginning. Between new ways and what's always been done.

Founders know at this point that something must change, but what? They try to delegate, but that doesn't seem to work – no one has the experience and passion that they do. The increasing tension is most apparent between the founder and newer managers. (In some organizations it may be between the original founding board and a new organizational leader.) On one side there is a desire to seek improvement and possibly take the organization in new directions, or at least utilize new ways of doing business. On the other side, there is a strong tendency to not change how things have been, and to not give control to these newer managers. It's at this stage that the role of the founder must transition considerably.

### Critical Question for Founders

First, there are critical questions to answer. What is your end-game? Have you created your organization to allow you to be your own boss? Is it a way to do something you enjoy, while also providing income for your family? Your objective may not be major growth, with all its added complexity. Once you are done, the business is done. It will have served its purpose. *Nothing wrong with that!* But if this is your situation, you may have no interest in reading further.

On the other hand, you may not be spending all your time and resources building a business just to see it end. Your goal may be to build an *entity* that continues to succeed after you have left. You are creating an organization that could pass to another generation, or be sold to fund your retirement. Possibly, you want the organization to continue because the “cause” or vision is still strong, and your objective is to see it perpetuate well into the future. If so – *read on.*

For the organization to succeed on its own, at some point the founder must “let go.” This takes time, intentionality, and is rarely easy. We will discuss four primary topics:

1. Organization Development's Similarity to Human Development
2. Why It's *So Hard To Let Go*
3. When It Goes Wrong
4. When It Goes Right

## Organization Development's Similarity to Human Development

If you have continued to read, you are likely on the side that wants the organization to succeed, even when the founder is gone. We will utilize a parent and human development analogy, to help us understand what is required for successful organization development.

### Role of Parent in Human Development

Obviously, not every parent approaches their role the same with their child. Yet, I believe most would agree that a parent's ultimate role is to prepare their child for adulthood and *independence*, not dependence. Adult children must eventually be prepared to make their own decisions and navigate their own way in the world.

To begin, parents *give birth* to their children, and then:

- Feed, nurture, and love them
- Make all decisions for them
- Maintain personal responsibility and accountability for their safety, health, and survival

That's how it *begins*. But it doesn't end there. As the child gets older, our job as parents is to see that they also grow physically, mentally, and spiritually. We must oversee the *development* of that infant into a healthy, independent adult.

The parents' role in their child's *development* includes:

- Ensuring they are physically active, learning to crawl before they walk, then run, etc.
- Helping them to learn how to feed themselves, and to control their bodily functions
- Teaching them values, a perception of right and wrong; establishing a moral foundation
- Training them in basic social skills and how to play well with others
- Sending them to school to learn topics from teachers better equipped than we are
- Teaching them a work ethic, and to effectively manage their finances/savings
- ...you get the idea

Why do parents spend so much time and resources on all this development? Because it's their job...and because of the objective. We want them to eventually succeed *on their own*.

What happens if a parent remains focused on the first portion of their responsibilities, but neglects the developmental portion? The child will remain *dependent* on the parent, and not well equipped to live successfully on its own. That may satisfy the need for control and responsibility of the parent, but actually hurts the child's development. *The very behaviors to control and protect, meant to help the child, will actually hinder them from developing into a mature, productive adult.*

### Role of Founder in Organization Development

Now, let's look at the first portion of our scenario from a founder's perspective:

- They "give birth" to the new organization – its's literally "*their* baby"
- They personally feed and nurture it with their own financing, blood-sweat-tears.

- Their vision determines where the organization will go, and how.
- They make *all* major decisions, driven by their values.
- The organization is fully *their responsibility*. On-going success depends on *them* – without their personal effort, the organization would not continue to exist.

Just like a parent, these behaviors are *essential* for the new organization to survive and grow! Yet also like a parent, the founder must make the difficult transition to the second half of their role – overseeing the *development* of a healthy, independent organization. We will cover this later in the section, “When It Goes Right.”

### **WHY It’s So Hard To Let Go**

Unfortunately, just as parents have difficulty “letting go,” so do founders. Anyone who has ever launched a new organization, establishing it with their own sweat, debt, and resources, understands how complex and *difficult* it is to let go. Here are just a few thoughts that go through a founder’s mind:

- It’s my baby! I created it and gave my life to it for all these years. I am ultimately responsible and can’t just shift that responsibility to someone else.
- The business won’t succeed without me. Customers, employees, vendors, creditors – they all depend on *me*.
- I feel that new leaders don’t have the same “passion” or vision that I do. Besides, they don’t have the experience I have.
- I’ve tried to delegate, but others don’t make decisions the way I do.
- With all the expense and time to train people, purchase systems, and document processes – it’s just easier to do myself.
- Others want to keep making changes, when it’s been working well to this point!
- *And to be completely honest...*
  - o This is all I know. I have nothing else to look forward to.
  - o Let’s face it, I might have a controlling personality – and it’s been a strength!
  - o I fear they may succeed *without* me (I want to still feel needed).

Often, the reason founders don’t let go is because they can’t. They literally ARE the business. They are the “hub” that everything connects to. Their departure would inevitably become the end of the organization.

### **When It Goes Wrong...**

The most disheartening situation is when founders truly *do* want the organization to continue on, but don’t see that *they* are the primary obstacle from this occurring. When founders do not understand how critical the transition of their role is, they actually hinder rather than help the mature development of their organization.

Frequently, as the organization grows, a founder will see the need for more focus on operations, systems, and processes. Since that is often not their area of expertise, they eventually hire an

“operations” person. This is an administrative person or COO-type with process improvement and operations experience. Founders soon realize this person approaches everything *differently* than they would. (Which of course, is the point. What got them to where they are – will not get them to where they are going.)

These are examples of what will often occur in these situations:

- Given their growth and influx of new people, the “us versus them” friction becomes apparent. People bring new ideas from outside the organization to the original staff who are quite happy with the current way of doing things.
- Founders *try* to delegate, but others don’t do things the way they would, so the founder second guesses them, and pulls back control.
- *Decision-paralysis* sets in. Founders want others, like the new operations manager, to step up and take ownership, but the manager becomes reluctant since they will likely be overruled. Founders then see that others won’t making decisions, so they have to – and the cycle continues.
- Founders often want to remain a law unto themselves. New policies and procedures are fine for everyone else – but no one can tell them what they can’t do in *their* business.
- Newer managers with valid ideas often become frustrated, and frequently move on.
- Employees seeing this struggle don’t want to get in the middle and may also move on, or at a minimum it effects their productivity and motivation. (and the founder wonders why they are surrounded by “yes people,” rather than a creative, motivated staff)
- Founders begin to feel like they are losing control and dig in deeper - not realizing this is the very behavior that will perpetuate the problem!

But it doesn’t have to be that way.

### **When It Goes Right...**

To be clear, I am NOT recommending that the founder’s entrepreneurial spirit be *replaced* with more formal systems and controls. Though a temporary shift in priority may be necessary to move this direction, *balance* is the key. For an organization to achieve “prime” in its lifecycle, they should seek a balance between flexibility and control – between creativity and process.

In my series on ©*Leadership Development for Organizations in Transition*, the first building block for leadership is to understand their Evolving Responsibilities. Similar to a parent, if the founder’s objective is to ensure the organization continues successfully without them, they must transition their role. The full control they had on the organization was *essential* in the earlier stages. But those very behaviors will hinder future development.

This stage is often called a “rebirth” for the organization, (frequently a *painful* rebirth). It is a time when everyone’s focus and dedication shifts from the *Person* to the organization’s *Purpose*. In the early stages, it is the founder’s mission, passion, and values that drove the organization. Everyone looked to the person, the founder, for direction and decisions. Since the founder will not be there one day, that focus needs to shift to the mission of the *entity*. It is the *organization’s* purpose, and *shared* vision that must guide everyone and their decisions going forward. Leaders may come and go, but a healthy organization could continue on for a very long time.

The first mental shift the founder must make is how they perceive their role. Up to this point, they were the expert with the most experience – the key *player* in the organization. But that perspective must shift from key player to *coach* or orchestra *conductor*. Their success is now related to developing a team and entity that is successful – even when they are not playing. The role shifts internally to developing people, processes, practices, and plans. In other words, building a framework for others to play within, and coaches/conductors ensure everything works together. The extremely personal shift a founder must make, is that it’s no long about them. It’s about developing a sustaining, growing, scalable organization that is able to thrive *without* them.

Since much more attention must be given to working “on” rather than simply “in” the business, founders should assess their own strengths. Quite often (not always), the founder is an *entrepreneur* at heart with all the required skills, traits, and energy for starting something new. For the organization to continue to mature, attention is now required for the internal development of people and processes which falls into an “administrative” or “operational” skill set. Many entrepreneurs are not wired that way.

It is not unusual for a founder at this stage to eventually say, “this is not me.” They recognize that the necessary development within operations is not their strong suit. One path they may take is to appoint or hire someone and delegate those particular responsibilities. As mentioned earlier, that too is a difficult change. Or, the founder may find a new owner/leader with the experience of leading a larger organization, and they move on to another opportunity to utilize their strengths. If founders decide to stay, how do they deal with someone with an entirely different perspective on operations and current priorities? Collaboratively and respectfully.

Any delegation, or eventual “letting go,” should not happen quickly. The groundwork must first be laid. At its core must be a strong level of trust. This takes time. Establishing the appropriate groundwork will in-turn go a long way in establishing the necessary trust. The following are an example of areas that require serious attention:

1. One of the most critical steps is to ensure the organization is moving toward a “team” environment. As addressed earlier, the founder/leader’s role must transition to *team leader/coach/conductor*. Job #1 is ensuring the right players in the rights seats on the management team. These should be people who share a common vision and values for the organization, with the right strengths to fulfill their unique role, (or the founder will never adequately delegate responsibility). They must also be “team players” who value and respect other members of the team with different strengths.

2. As with any team, there must be agreement on the game they are playing. The object of the game, the rules, understanding the various roles, and creating strategies to win. The leadership team must collectively, and clearly articulate its mission and vision, which defines the game. Values that *everyone* must adhere to are the rules of the game, and an effective planning process communicates the strategies and plays required to win.
3. Given the transition founders are going through, the relationship between them and their operations person is critical. After agreeing on the vision and plans to get there, it is essential to clearly define each of their responsibilities in achieving that plan. The operations leader should respect the success/skills of the founder and play to their strengths, and the founder as team leader, must begin listening more than telling, respecting the unique strengths of others. Founders become both coach and cheerleader.
4. Open, honest communication among the team is required, and should not be stifled. After open debate to establish the things listed above, team members know what's expected of them and why. Everyone is then held accountable for their area of responsibility – including the founder.
5. Another area that founders must spend time on to successfully “let go,” is knowing what they will be going *toward*. Will they pursue another entrepreneurial venture? A new interest or hobby? It's hard to let go, when there is nothing else to hold on to!

### In Summary

Yes, it is difficult to “let go.” But if your goal is the organization's continued success, founders must eventually shift their motivation:

- From not only pursuing a personal dream, but to developing a sustainable entity.
- From not only being a passionate leader, but passionately developing a leadership team.
- Transitioning the organization from serving the Person (you), to serving the organization's Purpose (and *shared* Vision).
- To becoming a leader that *serves* the mission of the organization, and *leads* the equipping of those on mission with you. While also *leading* the vision, and *servicing* your team as they work toward that vision.

As discussed, a parent's success is not defined by their child “surviving” while living with them. Their focus is ensuring the child will one day be able to succeed on its own. The same is true for a founder/leader who wants their organization to continue. Their success is not defined by the organization surviving while they are there, but that it's able to one day succeed on its own, without them.

**Michael Wilkes & Company** specializes in management consulting and leadership team development for closely-held businesses, churches, and nonprofit organizations challenged by the necessary leadership transitions due to growth or strategic change. For further information: [www.michaelwilkesco.com](http://www.michaelwilkesco.com)