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AS SEEN IN **Upsize**
Minnesota

To lead your small business, transform yourself

NO ONE UNDERSTANDS the adage “It’s lonely at the top” better than small-business leaders. They face a variety of challenges — from keeping pace with and integrating change to managing and engaging their workforce. And unlike their big-company counterparts, they don’t have a large pool of divisional and departmental colleagues from which to draw focused management expertise.

Without these knowledgeable, experienced resources, leaders of small businesses fill many gaps. To do so, they must shift styles, perspectives and approaches, and understand when and how to switch.

If leaders rely on a limited set of “accepted” business practices and beliefs, they may be sabotaging their efforts with inappropriate approaches or ones that have outlived their benefits. Yet this agility can conflict leaders. A style that is right for one group may be wrong to apply with another. As a result, they find themselves in a paradox caused by having to constantly reframe their beliefs and practices.

Here are three of the seven most common paradoxes and examples of how small-business executives can question and transform them into wisdom they can use to lead their companies to success.

Leadership Paradox No. 1: Instill hopeful realism.

The most optimistic leaders are also the most realistic. In these economically

[tips]

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- 2 | Work the problem transparently.
- 3 | Break solution steps into manageable chunks, assign them, and then get out of the way

uncertain times when small-business leaders are challenged to do more with fewer resources, a dose of hopeful realism can serve as a solid leadership philosophy and a guide for effective decision making and leadership philosophy. Let me explain.

Growing up on a farm in North Dakota, our early-spring landscape was dotted with red and green mechanical horses. Melted snow and cleansing rains softened the ground, miring tractors in thick mud, where they stayed until resourceful people unstuck them.

What should a leader do when the organization’s growth is stuck, like those tractors, due to product, market or economic changes? Should they give in to

pessimism and compromise expectations? Should they apply unrealistic optimism, discount the outside influences that are creating the challenge, and browbeat employees?

An effective leader realistically assesses the situation and thinks of creative solutions to take market share. The leader’s confidence and ingenuity instills a sense of hope. In contrast, the leader who takes a wait-and-see approach is simply watching the organization stagnate or sink in the mud, instilling a sense of despair.

Hopeful realism is a reasonable expectation of a good end. These guiding principles will help you engrain this philosophy throughout your organization.

3. Take stock of your situation from as many viewpoints as possible. Business challenges are often distorted or unrecognized because business leaders haven’t yet leveraged all the human creativity, ingenuity and experience available to them.

4. Work the problem transparently. Once you’ve developed an accurate picture of your entire situation, don’t “black box” the solution. Open up the entire problem-solving process.

5. Break solution steps into manageable chunks, assign them, and then get out of the way. Farm out your solution in bite-sized chunks to those best equipped to implement each piece.

4. Use the results of your solutions to seed the next generation of solutions. Once your organization has designed

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— Danita Bye, Sales Growth Specialists

and implemented a solution, feed it back into the system with the same transparency you developed it with.

Leadership Paradox No. 2: Management in synergy with leadership.

Knowing where to go requires knowing where you are. Ensuring growth is moving in the right direction requires a balance between leadership propulsion and management steering. Effective leaders are adept at reading a situation and discerning whether they should adopt a management or leadership role.

While they are visionaries, they understand that they need to focus on the individuals they lead. As a manager, they develop individuals, they know how to maximize resources and minimize risks. As a leader, they take stock of gains in the context of fulfilling the corporate vision

Here are four action steps to help you integrate systems and processes with vision and people.

1. Understand the strengths and weaknesses of each employee. This is a big part of the “vision plus resources equals employee empowerment” equation. This is the key to understanding the value of your resources, which supports achievement of this synergy.

2. Know that opportunities and risks

are subject to change.

Limiting brainstorming opportunities and recognition of risks to the outset of an initiative is placing a cap on success. Plan regular “rest stops” to gather new information and adjust your course accordingly.

3. Know employee triggers. If inspiration plus coordination equals teamwork, allow motivated employees to take ownership of their inspired ideas.

4. Understand what you won’t do as much as what you will. Identify actions that are counterproductive to long-term strategy, as well as tactics that undermine morale in favor of short-term profit.

Leadership Paradox No. 3: Cultivate disciplined creativity.

Coloring outside the lines requires lines in the first place. Business without discipline and organizational structure is doomed to unrepeatables successes and regular failures.

Business without creativity suffers the same fates. Creativity that yields benefits requires a structural framework. Without structure, creativity may foster chaos.

The eight-note scale is the structure in which music is created. Without that framework, this creative discipline does not occur.

Business, too, needs well-defined processes throughout the organization to generate repeatable success. At the same time, creativity is crucial for growth to ensure that processes evolve to meet change.

Creativity in business—as it is in all facets of life—is possible only when there’s freedom to innovate.

1. Encourage “what if” thinking with a “what’s important” focus.

Rather than taking the “suggestion box” approach to innovation, define a concrete, specific problem domain and ask your employees to brainstorm within that domain.

2. Be like Gene Kranz. Remember the scene from Apollo 13, when NASA Flight Director Gene Kranz says, “I don’t care about what anything was designed to do; I care about what it can do.”

Turn lead into gold. Don’t penalize dumb ideas. Celebrate them—and reward them—instead. Just make sure to reward the good ideas even more.

Balance is key in approaching these first three paradoxes. In part 2 of this article, we’ll take a look at the remaining most common paradoxes and how to transform them into wisdom for today’s leaders.

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