

The right leader at the right time . . .

In 1975, two friends and I decided we had a great idea for a business. We sold our homes in Minnesota, stuffed everything we owned into a U-Haul truck and a couple of ancient cars, and headed for San Francisco.

As our departure date loomed, we became increasingly jazzed, feeding off each other in an ever-soaring circle of excitement.

Meanwhile, a third friend watched as we disappeared into fantasy land. She'd already successfully launched two businesses herself, so she knew what lay ahead. While we were becoming more and more dazzled by our prospects, here's what she was doing:

Rolling her eyes.

She knew we didn't have the right management team, we didn't have the right business model, we didn't have the right financing, we didn't have . . .

As it turned out, all we really had was a desire to move to California.

Seven months later my two partners married each other, moved to Ukiah and started an organic hog farm (believe me, that was NOT our original business idea!). I wandered back to Minnesota and basically said "Huh?"

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Social enterprises need different types of leaders at different stages in their evolution -- and many times discover (too late) that their efforts have been crippled because they're being led by people with the wrong kinds of skills.

The mistake occurs because most people don't truly understand the differences between innovators, entrepreneurs and professional managers. All three types of leaders are needed in the evolution of a healthy organization, but at different times, and rarely does an individual excel in more than one of the three areas.

Understanding the differences among the three has been one of the most important and painful lessons learned by people in the nonprofit sector. No other subject has caused such consternation among my audiences during the past 30 years, whether I've been in Nashville, Copenhagen, Johannesburg or Tokyo. People frequently approach me after one of my presentations and tell me

“That’s why it’s not working at my organization -- we have the wrong people in the wrong jobs!” . . . or, more emotionally, “That’s why it’s not working for *me!*”

So let’s look closely at each of the three:

- My experience in California helped teach me I was *not* an entrepreneur – and it came as a great relief! It meant I no longer had to take responsibility for what happened to my ideas once they’d been shaped and proven to work. That wasn’t my job! I was an innovator, not a business builder.

Innovators like me are ***dreamers***. We always have a dozen projects going at once, because we know only one or two will ever bear fruit. It drives our Board and staff members crazy because whichever project we’re talking about sounds as if it’s the single most important thing in the world. And it *is!* Until we switch gears and start talking about a *different* project. (This is one of the reasons I haven’t had a Board or staff for the past 13 years.)

- ***But understanding the work is NOT the same as understanding the business that DOES the work.*** As Jana Matthews, former senior program director at the Kauffman Center for Entrepreneurial Leadership, once put it, “Getting a product to market is very different from building a company that will be sustaining over time.”

Innovators create prototypes, work out the kinks -- and then we get bored, anxious to return to what we do best . . . designing more prototypes! We are rarely concerned, ultimately, with the long-term financial viability of what we do.

Of course, that attitude drives entrepreneurs nuts, because they are single-minded ***business builders***: Their job is to turn prototypes into going concerns. For them, financial viability is the most important aspect of what they do: Hence the social enterprise mantra, “No money, no mission!” They don’t have time to think about two different projects at once, let alone a dozen.

- But entrepreneurs also get bored, usually after five to seven years. That’s when the ***trustees*** arrive, the professional managers. The future of the company is in their hands, and they secure it by doing what they do best -- installing and supervising the systems, standards, infrastructure and human resource policies needed to make sure the going concern keeps going.

Unfortunately, often because resources are scarce, nonprofits and social enterprises try to shoehorn people into positions where they don’t fit, and problems occur because they have an innovator or a professional manager trying to do an entrepreneur’s job.

That’s what happened to my friends and me in California. *None* of us were entrepreneurs. I was an innovator, Anne was a professional manager and Leo was a technology wizard.

And that’s what can happen to *any* startup unless it’s being led by a genuine entrepreneur.

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This entry in "Jerr's Journal" is adapted in part from an essay in Boschee on Marketing. The entire book can be downloaded free of charge at http://socialent.org/Publications_Podcasts.htm.