



Only the lonely

Chris West & Mike Southon
December 2002

Only the lonely

The secret of business success lies in building the right team of experts and keeping them on board

One popular misconception about entrepreneurs is that they are the Lone Rangers of business—they are alone pursuing profit and success. It certainly feels that way when you begin trading, or when you get that letter from the bank saying "yes, you can have the loan, but the security is your house".

But in the long run, the lone entrepreneur is very unlikely to succeed. Great businesses are created by great teams, not by people acting alone.

We meet a lot of talented and energetic entrepreneurs with excellent-sounding ideas who are trying to succeed on their own. We tell them they will fail unless they can build and sustain a team around them. This doesn't always go down well, but we have to say it. Many more entrepreneurs have understood their need to create teams, but are not clear exactly what individuals they need or how to get hold of them.

We reckon that the ideal number for a founding team is five—the entrepreneur plus four "cornerstones". Imagine your business as a pyramid, with the entrepreneur at the apex and the cornerstones holding up the base.

Cornerstones share the entrepreneur's desire for high risk and high rewards, but at the same time ground him or her via their particular commercial or technical discipline. Incidentally, teams nearly always need two technical experts, one to imagine new products and create prototypes, the other to see these prototypes through to effective mass production.

Note that the entrepreneur may well cover one of these bases (the danger is that they believe, mistakenly, that they can cover all four). We still think they should balance the numbers with a fifth person, preferably someone who comes from their own discipline, or maybe someone experienced in administration.

You do not need this great team full-time from day one. Mike's first company, the Instruction Set, for example, began with the entrepreneur plus the sales and innovation cornerstones. The delivery cornerstone was part-time for a while and the finance cornerstone was the last to join, only giving up a job at global investment bank Goldman Sachs when he knew for sure that the company was going places. We meet many partially-formed enterprise teams, and the problems they bring us almost always relate to having a weak or non-existent cornerstone. A local accountant does the books, but there's nobody worrying about costs. There's nobody who really understands the minutiae of delivery; there's a person who's "done a bit of marketing" in charge of (but not actually closing any) sales.

Okay, so you're a cornerstone short—imagine that pyramid again, but with one of its supports missing. How do you sort this? Outsourcing is one answer, but that is only a short-term fix (unless the person outsourced to you later joins you). You need the voices of sales, finance, delivery and innovation shouting loud and clear—and often uncomfortably—at all your board meetings.

The best solution is to look to your own networks. Chris knew an aspiring journalist at university who kept files on people he thought would be useful contacts later in life: entrepreneurially minded people should do the same with potential cornerstones. Networking is a key entrepreneurial skill—another blow to the lone entrepreneur model.

If you think you are cornerstone material and are looking for a small business to get involved in, what should you do? Network, too. You may want to join beermatentrepreneur.com: we have started a formal network that brings entrepreneurs and potential cornerstones together.

The ability to build and sustain a team is a crucial, and often much understated, component of business success. It is understated possibly because too many entrepreneurs like to claim they did it all themselves. But even the Lone Ranger needed Tonto and that trusty old chap at the silver mine.

Article courtesy of "Director" - The IOD Magazine – www.iod.com