

Who Evaluates the Entrepreneurial Leader?

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Have you ever wished you had no boss? Have you wondered what it might be like if you didn't have someone breathing down your neck all the time, making demands of you? Have you ever faced "performance appraisal" time and thought how cool it would be to not have somebody evaluating the quality and quantity of your work?

Who do you think evaluates THE leader? If you had started your own business twenty years ago, how would you judge when you (and your organization) are good enough? Who would you go to for approval of the most recent big decision you faced? Who would tell you what you could have done differently to obtain a better outcome?

What exactly is "good enough" for a privately owned business? If your organization is still viable five years from now--is that good enough? Sure, your employees want to have a job in five years. But what if you make a decision today that is contrary to the future direction of the marketplace--and your customers all leave?

How would you know if you blew even a simple decision? And just how many of those "simple decisions" do you face in a day? Actually, isn't it true that very few of the decisions you make are simple ones? You rarely have the privilege of making a decision under certainty.

Let me offer an example. Five years ago, you signed a ten-year lease for a manufacturing facility. Everything's progressed well for the past five years, including your relationship with the owner. Your company has grown, and what seemed like a huge facility five years ago soon may not be big enough.

One day, the landlord calls you and says, "I've been offered an opportunity to sell this property. I have some other things I'd like to do with the cash I'll obtain. I'm willing to sell it to you for the same amount, or you can keep your lease and be subject to whatever the new owner decides to do in five years."

What do you do? If you buy the property, you tie up a lot of cash for five years, and the value of the property may decrease. Further, if your business continues to grow, you'll need a much bigger place in five years. You don't want to be saddled with trying to sell your existing facility.

But what if you don't outgrow the building? You might prefer to stay put in five years, but the new owner may not extend your lease. Or what if the property value skyrockets over the next five years, and you could enjoy a sizable gain on your investment? Buying now might be a superb decision!

You're the leader. Who advises you on this decision? You know you don't have a boss who's going to second-guess your decision, but you still want to avoid a mistake. And you won't know for several years, maybe more, what the "right" decision is. What do you do?

It's not easy being the leader. Leadership requires a continual balancing act! Do you rely on financial analysis or do you go with your intuition? Should you make a decision immediately or should you wait until you can gather more information?

A lot of people think they want to be "the leader." Dig into why that's what they want, and you'll often find it's the power, or the prestige, or the special privileges that are assumed to go along with being the person in authority. But the reality of the responsibility often isn't what it's presumed to be.

I encourage entrepreneurial leaders to work intentionally to develop a collaborative culture. Rather than enhance your "command and control" decision-making skills, I advocate that you build the skill of asking open-ended, thoughtful questions. By generating creative options, the leadership team can jointly evaluate how likely each potential course of action will yield the desired outcome.

Entrepreneurial leaders don't have a literal "boss." However, adopting a spirit of service to those under your authority allows obtaining valuable perspective when facing tough decisions. Then the after-the-fact evaluation becomes more of a joint accountability.

Who evaluates the entrepreneurial leader? The obvious answer is "no one." The more accurate answer, however, is everyone--in your company, among your customers, and in the outside community.

Do you want to improve the effectiveness of the decisions you make and the actions you take? Create an environment where those under your authority are free to offer and openly evaluate creative alternatives. The more you involve the individuals who will be affected by a decision, the more they'll work to make it a good one--then they'll execute it well!