



Surmounting the Entrepreneurial Wall

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We are all aware that a very high percentage of start up businesses fail in the first few years. But there are pitfalls for those who succeed as well. **Possibly the greatest challenge of all comes when the business's founders hit "the entrepreneurial wall."**

The entrepreneurial wall is a result of success and rapid growth. It represents a time when the business must evolve from an entrepreneurially driven concern to a professionally managed one.

This transition can be difficult and challenging. The founders must significantly modify their behavior for the firm to continue its success.

At the outset, most start up businesses feature a driven entrepreneur who is absolutely committed to turning a dream into a thriving business. Chances are that most early employees are also fully committed to the operation's success. At this stage of the business, it is likely that the founder, by necessity, is involved in most facets of the firm's operations.

However, things begin to change once the firm hits a "critical mass." Depending on the nature of the business,

this happens when gross sales grow to somewhere in the range of \$1 to \$10 million. At this juncture, it becomes impossible for the founder to be involved in all aspects of the business, even though that is their natural inclination.

At that moment, several things need to change:

- A formal organizational structure needs to be put in place
- Real responsibility and authority must be delegated to others
- The founders now must move from working in the business to working on the business. In other words, they must spend ever-increasing amounts of time strategizing, planning, and most importantly, managing others' work, rather than doing the work themselves.
- They must now deal with employees who didn't participate in the early stages of the company's growth, and who most likely view their position as a job, not as a passion.
- They must become a participative manager who wants to build a team of competent, committed employees and who recognizes the absolute need to create the leverage required to continue on the path of growth and success.

We can help with this transition. We work closely with the founder(s) to develop the kind of professionally run business operation capable of ongoing success. We not only help develop the plans and programs necessary in such a transition, we take a very active role in managing them.

Very often we assume the role of "chief operating officer" on a part time, interim basis, reporting directly to the founders. We can add to the firm's management strength while modeling the management behaviors that are most effective in this new environment.

We nearly always begin our work by leading the founder and the firm in a strategic planning process. This planning leads to highly specific strategic objectives. These objectives will become the true drivers of the business. This approach has been proven time and again to be an effective management system. The vast majority of large and successful US corporations use a version of this system.

The planning process will address the three key questions for any business:

- 1) Where are we now?
- 2) Where do we wish to go?
- 3) How do we get from here to there?

Our work generates highly specific action plans tailored to achieve the firm's strategic objectives. These plans outline who is expected to do what and by when. Once completed, we will assist in the implementation of an effective management system to monitor manage, and measure accomplishments.

Such a system fosters individual and team accountability and features a high measure of personal responsibility and personal commitment.

Once in place, we initiate and maintain a "rolling" strategic planning process, in which we conduct a plan review every quarter. At the end of each quarter, all accountable parties report on the achievements from their action plans for the quarter, while simultaneously presenting their action plans for the upcoming quarter.

We work closely with the founder on a one-on-one basis throughout this entire effort, providing guidance, as needed, in their evolution from a successful, driven entrepreneur to a skilled senior executive with top flight executive abilities.

Quite simply, our primary objective is to create a firm ready and able to grow profitably and professionally into the future.

Truelson Associates has served over 200 clients in its 20+ years of existence. Our greatest concentration has been in the independent community banking field. We have served in excess of 50 such institutions, including several in the \$1+ billion asset size range, plus a number of start ups, and every size in between.

We were generally considered to be the leading firm in this field in the northern and central California market. In 2009, we transferred the firm to Oregon, and are prepared to serve the Oregon bank community from our offices in Portland.



We are associate members of The Oregon Bankers Association.

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