

Right Leader Important in a Small Business

Just because you own the business does not mean you are the right person to be the leader.

“We take it for granted that the business owner will be leader both in terms of daily activities and long-term planning,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “And research generally supports this idea.”

Yet studies have shown that some businesses perform much better when the owner takes on a nonleadership role. Case studies suggest that some owners realize that the business may have grown faster had they stepped away from the leadership role sooner.

“The idea of leadership selection commonly occurs during a time of transition, typically from one generation to another,” says (insert name and title). “Yet the leadership question should be on the owner’s mind even during the idea conceptualization stage.

“While typically the owner is the initial manager, being the person whose passion keeps pushing to overcome the startup barriers, any time after the doors open, it may be time to consider who should be at the helm,” continued (insert last name).

During the development of a business, the company goes through several phases, all of which require different skills. Quite often, the initial owner and leader is that person who sees an opportunity and a means to turn it into a profitable enterprise.

Yet those first steps are quite different from those needed to develop a long-term, profitable company. Some innovators simply do not find doing the tasks to accomplish this as exciting as developing the next new idea.

Other reasons why a different leader may be a good move include:

- The owner is focused on that initial product, perhaps overlooking new opportunities and markets or the changing competitive world. Such changes can include changing production methods and materials.
- Each person has a certain skill set. While one can add to his or her skill set, this usually only happens when it is desirable. If the owner needs to build his or her accounting or human relations skills, both needed for long-term success, but has other priorities, bringing in a new leader might be the answer.
- Burn-out may occur. Starting and operating a successful business takes a great deal of energy. This simply might be time to recharge the batteries. Some business owners step aside for a period of time.

“Stepping aside is often a tremendous internal struggle for the owner,” says (insert last name). “It requires honesty with yourself. And once decided, the task of finding and developing the next manager is a substantial task by itself. You need to prepare to make this transition.”

Leadership is crucial to long-term success for a company and you, the owner. Stop on occasion and consider if and when a change in leadership might set up your company for the years ahead.

For more help on this issue, check with your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter. More information can be found on Facebook at www.facebook.com/NDSUextsmallbiz and Twitter at @gmuske. Another resource is www.eXtension.org/entrepreneurship.

Additional good resources are other business owners and your local chamber of commerce. You also can contact the Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, for more information. State and federal agencies are ready to help in this area as well.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.