An Unintended Lesson

How a bureaucrat taught me what *not* to do to grow a company.

By Larry Farrell

My company president, with the remarkably redundant name of Jeffrey Jeffries, asked me to accompany him for the presentation of our five-year plan to the board of directors. As the 28-year-old marketing VP for a small, recently acquired subsidiary of a Fortune 100 company, I felt this could be the chance of a lifetime to impress the corporate brass. At least that's what Jeffrey told me. He was a longtime corporate bureaucrat whose only remaining career goal was to hang on for a few more years and retire with his options and pension intact. He was passionless about the business he had been assigned to run and had no knowledge of—or interest in—our products and markets. Jeffrey was the ultimate suit—the corporate executive who could manage anything.

On the big day, we were ushered into the large, ornate boardroom. After a brief introduction, Jeffrey turned to me and said: "Larry, why don't you give the board your projections?" I was nervous but still remember thinking: "Why is Jeffrey all of a sudden calling these *my* projections?" Anyway, I got through the show, concluding with the chart showing the big number: the five-year-out revenue projection—which I secretly feared we couldn't hit without an act of God—of $4 million. I sat down, and the room turned quiet. Nobody said anything. I peered up and scanned the board members, who were just staring at the $4 million figure on my chart, saying absolutely nothing. It was as if no one had ever seen such a small number in the boardroom.

After a long silence, the all-powerful chairman said: "I'm sure this young man presenting here is a fine salesman, but the salesman I'd like to meet is the one who sold us this damn company in the first place. *He* must be one hell of a salesman!"

I was looking straight at the chairman, but all I saw was my career flashing before my eyes—until that is, Jeffrey sprang into the breach with: "It might be time to take another look at the acquisition team's original projections and contrast them with the reality we now know we face." A masterstroke! There was a synchronized nodding of approval around the table; in the twinkling of an eye, Jeffrey had shifted the blame from us to the guys who bought "this damn company." He leaned over and whispered: "Close call, but don't worry—it's not our problem anymore. Once this dog is written off, you may even get a spot in corporate marketing—better exposure than down here in the trenches." I had learned an important lesson about managing and growing at giant corporations: The primary objective isn't to actually grow the business—it's to make sure you don't get blamed for *not* growing the business. Jeffrey was clearly a master at managing those objectives.

If this scenario could never happen in your company, be thankful, because this is no way to grow an enterprise.

After serving enough time in large, Dilbertesque bureaucracies to understand what

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makes the Jeffrey Jeffries of the world tick, plus spending a couple of decades living on the entrepreneurial side, I've learned that the single most important difference between entrepreneurs and managers is pretty simple: Entrepreneurs believe they are actually doing something important, and possibly profound, at work. They're on a mission to create something special that the world really needs. They're completely focused on making products and finding customers—so their "sense of mission" is all about growing the business,

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not managing the business. It's a huge difference that produces enormous competitive advantages over under-inspired and over-managed bureaucratic rivals. As Steve Jobs said when he first started hiring professional managers: "It didn't work at all—they knew how to manage, but they didn't know how to *do* anything!" To Jobs, doing something meant making better computers that more customers would buy—which was the only way his company could grow.

A few real examples from around the globe will help illustrate the powerful sense of mission felt by entrepreneurs. With half the world facing freshwater shortages by 2025, Lito Rodriguez, the young Brazilian founder of DryWash Indústria e Comercio Ltda., innovated a business revolution by figuring out how to wash cars without a single drop of water. DryWash has already opened four hundred locations and has a backlog of thirteen thousand franchise applications. Rodriguez summed it up this way when I interviewed him in São Paulo: "I realized that car washes generate a tremendous waste of freshwater and send large amounts of dirty, greasy water down the drainage system, which is terrible for the ecology. So the drywash process was invented because I felt so guilty wasting that much water. Washing one car requires about 316 liters of water. If you multiply that by millions of cars per year, you can see that DryWash is saving the country a tremendous amount of freshwater—and is environmentally friendly. These are important things in Brazil and across the world."

Ben Tregoe is co-founder of the worldwide training and consulting firm Kepner-Tregoe. A Harvard Ph.D, he and Chuck Kepner left the Rand Corp. to build a company to do one thing: teach people around the world how to improve their problem-solving and decision-making skills. Forty-seven years later, the firm has taught more than ten million managers, in fourteen languages. Tregoe is truly a man with a mission: "We had this strong sense that we were on to something that was terribly important, something that could help improve the quality of the world. We had this feeling, and it sounds very presumptuous to say, but we felt that we could really improve the rationality of the world. This sense of purpose, this sense of mission, is tremendously important. I know if we had started the business and just said, 'It looks like we can make some money doing this, so let's try it,' we never could have gotten this thing up and running. It was too damn difficult."

Kári Stefánsson, a former professor at Harvard Medical School and founder of deCODE Genetics Inc., is the entrepreneur who figured out that Iceland is the world's best laboratory for genetic research. With no new migration since the Vikings arrived more than a millennium ago, Iceland has the world's most homogeneous population, to the extent that its phone directories are printed by people's first names! Stefánsson's 350 scientists are looking for the critical genetic mutations in some of the world's toughest diseases, including cancer, Alzheimer's, schizophrenia, and multiple sclerosis. Like so many entrepreneurs I've met, he is passionately articulate about his mission: "Genetics is the study of information that goes into the making of man, and the flow of this information between generations," he says. "So we are studying the most sacred information that exists—the information that goes into designing you. Because of Iceland's unique history, we have the genealogy of the entire nation going back 1,100 years on our database. This is a huge advantage that gives us the most powerful tool in the world for isolating the genetic causes of diseases. We are convinced this will lead to a new revolution in medicine."

Here's a final thought from Jannie Tay, who in 1997 was honored as one of the world's top fifty women entrepreneurs. Her Singapore-based company, The Hour Glass Ltd., is one of Asia's premier luxury retail chains for watches and jewelry. Famous for her radical approach to transforming sales clerks into highly paid "intrapreneurs," Tay is crystal clear on the difference between entrepreneuring and managing: "Entrepreneurship is about being challenged and wanting to do innovative things to keep growing—but managers want to be safe. You tell them what to do, and they do exactly what you tell them—and no more. That's managing, and we don't need that at The Hour Glass." Touché!

The good news is that a more entrepreneurial "sense of mission" can be instilled in any business. Refocusing managers on growing vs. managing is what it takes. The first commonsense step is to transform all your Jeffrey Jeffries bureaucrats into hands-on, product/customer-driven enterprisers—and make sure that transformation is visible to all other employees. ♦