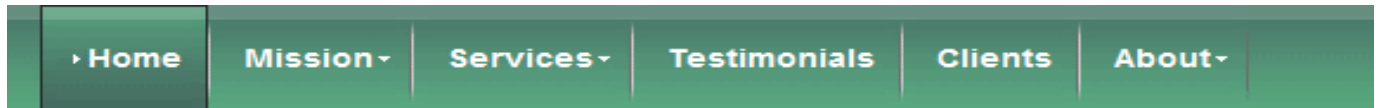


Focus

A publication of Wagner Consulting Group

June 2010



Roles of a Small Business Owner

As someone who helps business owners plan and carry out succession strategies, I am regularly asked to help articulate expectations for future owners and leaders. The role of a small business owner (I define "small" in this context as a private business with less than \$100 million in sales) is a special type of leadership role. The owner position includes fundamental leadership responsibilities, and also has a few specialized roles. I developed a 1-page summary of the most vital roles for use in developing next-generation leaders, and my latest version follows.

1. **Accept personal financial risks.** The owner must be willing to pledge his or her personal assets (home, vehicles, investments, etc.) to secure business loans and other financial considerations. This is just the "entry fee" to get in the game.
2. **Accept responsibility for the welfare of employees.** Business owners (the decent ones, anyway) never forget that families depend on the owner's business decisions. Employees know when owners care, and reward the owner accordingly.
3. **Keeper of the Vision.** Clearly and relentlessly articulate the vision to define who we are as a company, where we are going, and what makes us special.
4. **Model the company culture.** Culture means behavioral norms – how employees are expected to act. All companies have a culture, and it is usually an extension of the owner's personal beliefs and philosophy.
5. **Strategic Planner for the company.** Project the vision into the future and set measurable goals and targets to achieve 1- and 3-year business plans. A business plan should be a living document, a roadmap, to plan for profit and measure progress.
6. **Customers care fanatic.** Stay in close contact with customers to deeply understand what they want, value, and are willing to pay for. Set a visible, high standard of customer care for all employees to follow.

7. **General Manager of the company.** Oversee the progress of each department in meeting sub-goals that support the achievement of overall goals. Know when and to whom to delegate and avoid micromanagement, but don't hesitate to investigate when your gut tells you something's not quite right.
- Have the courage to make unpopular decisions and gut calls (there's *never* enough information for the really important decisions in life)
 - Be a lifelong learner, and seek out new ideas inside and outside the company
8. **Financial Manager.** Monitor the company's financial health by carefully reviewing the following reports:
- Weekly Cash Flow report
 - Monthly job/project/production cost reports
 - Monthly Profit & Loss statement
 - Monthly Balance Sheet
 - Monthly P & L compared to budget statement
9. **Head Cheerleader.** Leaders know when and how to celebrate. Celebrations are a moment in time when a group recognizes an accomplishment. Celebrations are spirit refreshments. A wise owner uses a wide variety of celebrations, from simple and cheap to more elaborate. Celebrations provide a "stage" to maintain morale, reinforce values and vision, and keep everyone focused on the goal.

Tom Wagner

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