



## Growing Your Incorporated Career Into An Enterprise

The troubled economy, shifting markets, rapidly evolving technology, increased competition, decreased brand loyalty, over regulation and rising costs all challenge the growth of small businesses, but many of the classic barriers to growth lie within the companies themselves.

One of the most common barriers to growth is a business owner's lack of understanding or indecision about the basic purpose of their companies. Each owner of a small business must ask him/herself: is the company essentially an incorporated career or is it the basis for an emerging enterprise?

What is the difference? The identity of an incorporated career is defined by the needs, skills, preferences, reputation, resources, and/or availability of individual(s) at the top of the organization while the identity of an enterprise is defined by its customers and/or the products/services it provides.

There is nothing wrong with choosing an incorporated career. In fact, the overwhelming majority of business owners are not really entrepreneurs, and there are many advantages to having an incorporated career. The problem comes for some people when the excitement of starting businesses of their own is over and the implications of their past choices are realized.

*The most essential step in the transformation of identity from incorporated career to enterprise is the addition of a visionary CEO.*

### The Advantages of Having an Incorporated Career

Most of the businesses created in response to corporate layoffs of middle managers are incorporated careers. Having small businesses affords the opportunity to continue doing what they had been doing and reduces the negative stigma attached to being unemployed. Although there are risks, many people provide precisely the same services on a contractual basis for their former employers that they used to do as employees.

Other incorporated career businesses are created based on lifestyle considerations. Home based micro businesses offer parents who are raising small children, adults who are caring for elderly parents and college students more flexibility and control than typical part time jobs.

Still other incorporated career businesses are created by capable people who face the "glass ceiling" within corporations, are not promoted but refuse to be stopped. Their preference, in many cases, would be to remain within the corporate setting, but they were not given that option.

Other incorporated career businesses are created around individuals who enjoy working alone or do not want the responsibility of being employers. There are thousands of "solo consultants" in this country who fit this description.

Incorporated careers allow the owner(s) flexibility, retained control, a defined sphere of operation, a prestigious title, and limited exposure of their ignorance or mistakes. But...

### How Can an Incorporated Career Business Grow?

Growth in revenue often comes to the incorporated career through specialization and perceived expertise. An incorporated career can grow through the addition of "better" accounts, bigger fees and more challenging assignments.

Time management becomes a central skill for the incorporated career business. The key person must learn to balance his/her marketing/sales time with his/her customer time. It can be tempting for the key person to try and take on more than 60-70% billable time, but that decision inevitably backfires. Without consistent marketing and sales effort, the new business pipeline slows down, and without a reasonable workload, the key person increases his/her risk of burnout, illness, lost perspective, and/or mistakes. Clearly, the maintenance of the lead person's health and well-being is a key to sustained success of an incorporated career business.

Financial management becomes an important skill for the owner of an incorporated career business. She/he needs to somehow find ways to save for the future, establish a pension/retirement plan, and make wise investments. Growth in net profits comes when overhead costs can be controlled. This is accomplished through the establishment of a routine, standard services/products, automation and procedural

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efficiencies...thus the need for fewer overhead employee positions.

Growth in revenue can also come to the incorporated career through the use of subcontractors. It is essential to build the company's capacity to do billable work

as its administrative (non billable overhead) capacity rises. IF capable people are available at a reasonable price, IF the key person can enjoy having help, IF billable tasks to be done can be taught, IF quality can be maintained, and IF the marketing/sales effort is sustained, it is possible for the incorporated career business to make the leap to having full time billable employee(s) and remain an incorporated career.

Some owners of incorporated career business try to achieve the best of both worlds through participation in joint ventures or consortiums. They hope to build their capacity to handle larger assignments without increasing their overhead costs. "Virtual corporations" (temporary alliances between multiple complementary entities, all of which have a vested interest in one another's success) are also becoming increasingly popular as a means of seeming larger without loss of control.

Specialization, time management, the use of subcontractors, financial management, and consortiums all contribute to increased revenues while retaining the basic identity of the business... an incorporated career.

However, if a business is really going to grow, it must make the shift from incorporated career to enterprise.

### **How Can an Incorporated Career Become an Enterprise?**

A very small percentage of businesses were started by true entrepreneurs who envisioned growth, would not have been satisfied working by themselves for very long, and defined their companies in terms of the customers being served or the products/services being provided rather than in terms of themselves, their careers, their personal lives or their current skills. Clearly, the overwhelming majority of business owners have incorporated careers.

The most essential step in the transformation of identity from incorporated career to enterprise is the addition of a visionary CEO. The business owner must be truly committed to making a complete career change for the transformation to be possible

without bringing in a new leader. The owner can no longer view him/herself a consultant, an engineer, an artist, etc.

The career of being the CEO of a growing enterprise involves vigilance over market trends, constancy of purpose and vision, the capacity to attract and retain talented people, the ability to bring the best out in others, and a willingness to embrace change. Nine out of 10 business owners making the change to becoming a CEO must face their ignorance about financial management. Successful CEOs do not permit themselves the luxury of isolation that is so characteristic of incorporated career businesses. Having a written strategic plan that is shared with other people is one excellent way to start the move away from incorporated career thinking. Creating an advisory committee is another excellent start.

*Known as The Growth Strategist™, Aldonna R. Ambler, CMC, CSP helps rapidly growing mid-sized companies (typically \$20 – 200 million/year) realize their goal of Achieving Accelerated Growth With Sustained Profitability® through opportunity/resource analysis, executive coaching, strategic working sessions, and her intermediary role regarding growth financing. Her clients are among the brightest, most ambitious business leaders whose names now appear on published lists of the fastest growing privately held corporations. The recipient of 23 prestigious awards for her success as an entrepreneur and industry leader, Ambler hosts a peer-to-peer Internet radio program, aptly called The Growth Strategist™, which features lively interviews with CEOs of midmarket companies who have successfully executed the growth strategy of the week. She can be reached toll free at 1-888-Aldonna (253-6662), by e-mail at Aldonna@AMBLER.com or online at [www.TheGrowthStrategist.com](http://www.TheGrowthStrategist.com).*