

# Tapping into Founder Prowess

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CEOs are poised for more organizational transformation in the future, some more than others. Whatever degree of change is expected ahead, it is clear CEOs must keep expanding their capabilities to create the conditions needed to keep their companies adapting and growing in novel ways. The answers will be different according to the specific circumstances, but for powerful examples from those who have long fueled the fires of organizational creation and reinvention, CEOs can take a cue from Founder trailblazers. While Founder CEOs are often less known for the work of sustaining and scaling an organization, within the insurgent approach there are valuable considerations for leading existing organizations into the expected waves of change ahead.

In our work with Founders and Founder-led companies at different stages of development, we repeatedly see three aspects of the “owner mindset” that are particularly relevant for CEO leaders embarking on any degree of transformation: 1) Strident commitment to the purpose and engaging the culture around it 2) Bold curiosity for future thinking 3) Fresh approaches to restructuring organizations.

## Starting and Staying with WHY

We hear more and more CEOs say that one of their primary leadership responsibilities is instilling a deep purpose within the organization. This has become only more pressing of late as they respond to the Great Resignation and increasing talent demands for more meaningful and impactful work, including across new hybrid formats. Here, infusing the spirit of ownership and the passion of founders around building something of shared value and pride can be especially useful.

From the onset of conceiving their business, Founders must continually sharpen and drive their mission to achieve followership. They then work tirelessly to build and fortify a strongly bonded culture, committed to supporting and advancing that purpose. The intense focus on the internal to achieve externally is critical for Founders. They work deeply from the inside out to really invest in employee engagement and build cohesion and productivity around their vision. As Howard Schultz, the former Chairman and CEO of Starbucks, has made plain: “When you’re surrounded by people who share a passionate commitment around a common purpose, anything is possible.” The shared sense of purpose becomes the soul of the company, which many Founders attribute to their success creating products that customers also become loyal to.

CEOs can lean into this more and spark greater cohesion around their company purpose by expanding their leadership capacity to engage and inspire their people—moving away from the sidelines and really closing the distance between themselves and their employees around the shared mission. Like Founders, by aligning their identity with that of the company, staying accountable to the purpose, and driving it steadfastly across the organization, they can build a more invested and performance-oriented organizational culture.

## Enhancing Future Thinking

In his memoir, *Shoe Dog*, Phil Knight, describes realizing his dream of founding the new running shoe company, Nike. “Deep down I was searching for something else, something more,” Knight writes, “I wanted my life to be meaningful. And purposeful. And important. And above all...different.”

Having the ambition and inviting the curiosity needed to create something altogether new and relevant for the unmade future is a unique part of the Founder mentality, of course. Unburdened by a responsibility to the status quo, they start out from this place of seeking and experimenting—quite a different vantage point than a professional CEO growing an existing organization. But, as Indra Nooyi, the former CEO of PepsiCo, has recently emphasized, CEOs need to be more future-oriented than ever: “[T]he fundamental role of the leader is to look for ways to shape the decades ahead, not just react to the present, and to help others accept the discomfort of disruptions of the status quo.”

Here is where the Founder example can also be helpful. The huge, empty space of the “uncreated” future is terrifying to most people who see obstacles and problems over opportunity. It’s no surprise that many business leaders opt to stick with what they know and make deliberate changes to the things they understand. But that is not enough now and taking more risks into the unknown has become necessary. Founders, by contrast, are active dreamers who see and extend possibilities where others see few. They approach white space as a *carte blanche* of creative potential and opportunity and set about building the support and operations needed to explore and fill it.

Applying their renowned curiosity and determination, Founders often demonstrate remarkable dexterity negotiating the complexity of future scenarios and modelling the adaptability needed to work through it. Importantly, they are less daunted by commonly vexing distinctions of polarities, and they regularly formulate new both/and possibilities, unearthing novel pathways towards creating products and services of real value. “I am constantly rethinking my own models for how to deal with uncertainty and change and how to enable people,” writes Ed Catmull, the co-founder of Pixar, in his highly regarded memoir, *Creativity, Inc.* “I am always asking: ‘How do we keep from veering too far to one side or another?’ ‘How do we follow our carefully laid plans yet remain open to ideas that are not our own?’”

Continuing to develop the curiosity to keep pushing the boundaries of existing thinking has become deeply important for CEOs taking on any degree of transformation. Founders invite the mindset they need to keep their pulse on the ever-changing future and keep moving with it. Inasmuch, their experience and expertise can provide inspiration for CEOs who need to unlock more of their own dreamers to imagine and reinvent their companies.

## Remaking Organizational Structures

Founders often bring their visions to life by unearthing new ways of organizing and executing their work, beyond dated hierarchical methods. They usually loathe bureaucracy, mainly because it so often impedes creativity and speed and is seen as a serious constraint upon the organizational vigor and the quality of results. Instead, they welcome new, experimental models of organization and are not timid about substituting out worn practices and protocol.

Many start-ups have set out to eliminate or minimize hierarchy by customizing new models to replace conventional management systems and flatten the organization. The examples of these different experiments are numerous. Zappos has implemented holacratic models (which decentralize decision-making and innovation through teams that govern themselves), to varying degrees of satisfaction. Over the years, Google has also tried many different forms of management reduction to alleviate the distractions from “real work” which hierarchies often impose.

Founders have a proclivity for simplification and directness—doing away with heavily-laden or poorly functioning processes, practices, and tools. Wade Foster, co-Founder and CEO of the tech automation company Zapier, favors process over structure altogether, and he stresses that, “good processes aren’t static. If a process isn’t meeting your needs, change it. If a process isn’t being used, get rid of it.” Amazon famously got rid of PowerPoint in favor of the rigor captured and conveyed with prose. Sometimes a small “fix” can prove highly significant. Catmull offers another great example of this, recounting when Pixar suddenly replaced all of the long, rectangular conference tables with square ones to invite less intimidating, more productive collaboration—a change that yielded gargantuan results. “Even after all these years, I’m often surprised to find problems that have existed right in front of me, in plain sight,” he writes, “[T]he key to solving these problems is finding ways to see what’s working and what isn’t.” Whether it is creating something altogether new, narrowing an existing process, or something in between, Founders repeatedly make focused, brazen leadership choices against ingrained corporate practices they consider inhibiting.

CEOs may be better able to reach their own new marks by becoming more adventuresome themselves in this regard as well as building and nurturing environments

that are capable of seeing and embracing more of the unconventional. This will entail hiring the right talent, of course. It also requires, as Harvard scholar Amy Edmundson has been proselytizing at length, ensuring the psychological safety necessary to create new spaces and practices of productivity. Increasingly, we are seeing CEOs opening-up to more organizational changes, big and small, and acknowledging the benefits of breaking tired rules to support new measures that invite and protect originality and efficacy. As Frederic Laloux has so memorably argued, “When organizations are built not on implicit mechanisms of fear but on structures and practices that breed trust and responsibility, extraordinary and unexpected things start to happen.”

We seem to be at one of those moments now. Founders appear to take to this naturally, the rest of us usually far more begrudgingly.

CEOs can keep adapting their leadership to better embrace the changes afoot by considering strategic assets of the Founder approach. By tapping into Founders’ attention to purpose, CEOs can build more engaged companies capable of performing *and* transforming. Thinking and acting with Founder-like courage and curiosity (and inviting employees to do the same) can help break down the barriers to growth and unlock more of what they will need to reinvent organizations.

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The reality is that business organizations are actively evolving all the time. There are periods when the call for adaption is more striking and widespread than others.

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Kati Najipoor-Smith and Dick Patton lead Egon Zehnder’s global CEO Practice which over the past five years has applied its own future-oriented, proprietary approach to help guide 2000 CEO mandates: <https://www.egonzehnder.com/functions/chief-executive-officers>. Across the world, members of Egon Zehnder’s CEO Practice partner with clients on CEO succession, advisory and recruitment. The practice is committed to becoming trusted thought partners in the important and challenging work of identifying and developing the best leaders for our diverse and evolving world.