

Our River Map: Stage by Stage, and Territory by Territory

We all know that the world is becoming more complex, and that the speed of change is picking up. These two facts are having an enormous impact on every field of endeavor, because they are factual in every sphere of life. More complexity and faster change.

Developmental theorists are the people that map the changes and document the complexities. Their maps have both descriptive and predictive value. A good developmental map, one that is relatively free of generalizations, deletions, and distortions, can both describe normal stages, and predict those stages.

For example, a good developmental map, such as our River Map, describes the normal occasions that correspond to each stage of development. By knowing what these normal occasions are, one can adjust accordingly. Similarly, by knowing what the normal occasions are for upcoming stages, one can anticipate and make better decisions in the present. It is useful to be able to say, "This isn't normal, but that is." It is also useful to be able to say, "Look what could happen up ahead – we better make some decisions now that will prepare us for those eventualities."

One of the people that has studied the life-cycle of business, is Dr. Ichak Adizes. We have borrowed some concepts from his book, *Corporate Life Cycles: How and why corporations grow and die and what to do about it*. If you think about it, Adizes' book is itself a map of the territory. Corporations do grow, and they do die. He has observed the process and he has recorded a map, so to speak.

We have literally created a map. The original 4'x5' oil painting by Jody Williams, hangs on the wall in our office. You will find it replicated in our brochure, on our website, and on other marketing materials. There are 4 Stages and 10 Territories, rapids, rocks, cemeteries, places of celebration... and more.

Let's look at each, from beginning to end.

Sea of Opportunity

We all live in a sea of unlimited potentiality. The universe has been unfolding for billions of years, and the evolutionary process of creation continues. Today, we are on the front end of The Big Bloom.

- Time is unfolding.
- Light is unfolding.
- Energy is unfolding.
- And, Consciousness is unfolding.

Theologically, we would say that God is yet Becoming. We are enfolded within this unfolding process, Being Becoming. That which aligns with the principles of the universe, with the Divine plan, with the Good, seems to be sustainable. That which does not, succumbs. Out of the Sea of Opportunity a dream blooms.

Dream Drive

Every business begins with a dream. Someone has a vision, an idea, a notion about what could be created.

- Maybe the dream is an extrapolation from something that has been already created, and maybe it is something unique and brand new.
- This dream, this vision, is born inside the conscious mind of someone, shared with others, and more-or-less captured by one we can call an "entrepreneur."

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- The dream is played with. It is tossed about, formed and transformed over and over again. It is modeled; beta tested in front of one person, and then another.
- While moving along Dream Drive, the entrepreneur gives form to the dream, imagines how it could be marketed, how it could be financed, and what operational skills are needed to launch the dream.
- Supporters join in, and by the time the entrepreneur arrives at the first destination, there is a caravan of supporters ready to go.
- Equipment must be secured.
- Capital must be in place.
- Patents, trademarks, property rights, purchases, leases, legal documents, and a name.

A great deal of preparation must take place and it will seem like too much, and never enough.

It is also a fact that every business begins as a family business. There is an entrepreneur, maybe a partner or two, but usually it all falls on one person and his or her family. Some businesses remain “family owned businesses” for a long time, even generations. But most move on, hiring in new crew as the business moves along, and they often don’t think of themselves as a family business any longer, although it all might “feel like a family.”

The Launch

The entrepreneur, the founder of the business, arrives at The Launch with a dream that is formed – more-or-less.

- Support has been gathered.
- Appropriate actions have been taken to secure permits for the trip.
- Because the trip will take a long, long time, adequate financial support has been secured to pay for the expenses while the founder and his crew are on the trip.

The crew, in all likelihood, hasn’t traveled down this river before, and they probably haven’t been in this boat with this crew before. This is an experience without a great deal of precedent. Rookies, one and all, they are ready to follow their leader. Or, there is another possibility, an even more likely scenario. The Leader, the entrepreneurial founder of the business, is casting off solo. The expectation is that crew members will be picked up along route. Anxiety and anticipation abound. The Leader is watched by others while engaged in a great deal of self-examination.

- Does this Leader have the right stuff to make it happen?
- Does this Leader have a viable vision, the capital, the skills it takes to be successful on this trip?

Time will tell. At The Launch, there must be a great deal of clarity around the vision, and a deep, deep personal commitment on the part of the Leader, or it all will be for naught. The Leader will be tested time and time again, as will be the crew that is amassed along the way. The Leader’s family must be totally supportive, for if they are not, they will drain energy from the Leader, energy necessary for survival. The Leader looks at the map, anticipates, and Launches in the water toward the River of Fortune.

The Black Box

There, in the middle of the Raft, right at The Launch, is The Black Box.

- Within The Black Box is something that will, sooner or later, weigh the Leader and the crew down.
- Rare is the Leader who has opened The Black Box before The Launch. Most set off with the unspeakable presence right in the middle of it all.
- In time, if it isn’t faced and worked through, it will grab the leader and the business and slow everything down, or sink one and all.

What is in The Black Box? Only the Leader and the crew can find out, and only they can embrace and master it.

The Consuming River Canyon

Immediately, one is consumed by the enterprise. The business, if it is to survive through the Consuming River Canyon, must become the primary focus of intention, attention, and action. All three will be

required for survival. Earlier words spoken about the time and energy it would take to survive through this, the first territory, now take on a different and more real meaning.

- There is neither time nor energy for anything else.
- The business must survive.
- Everything depends on it.

Family must adjust and cope with inner strength because the Leader's intentions, attention, and actions are focused on what is, and what lies ahead. In fact, this very trait, the Leader's obsessive drivenness, his or her consumption with surviving, the amount of gumption, is what will get the crew through the Canyon. The downside is that the Leader is occasionally dictatorial, and slow to delegate. Supplies, in the form of capital, are in short supply throughout the Consuming River Canyon, and so with the Leader out front, the crew presses on.

The Rocks

Hazards that lie mostly below the surface, that seemed rather insignificant from a distance, become enormous when the Leader is suddenly upon them.

- They bang and bruise the craft, and demand constant vigilance.
- The ones that are big and visible on either side can create a nice "V" through the middle.
- But, the ones hidden around the bend that follows are ill prepared for.

As if the challenges presented by the occasional field of Rocks were not enough, there is still more.

The Rapids

Class I, II, III, IV and V Rapids. Each one is more difficult than the last. Challenges right from the beginning confront the Leader.

- Sales and marketing, capital enough to sustain the enterprise, failures and frustrations, setbacks galore.
- The unanticipated disasters.

Class I and II Rapids are minor compared to Class III and IV Rapids. When the later are encountered, the nights are sleepless and the exhaustion is real. Class V Rapids threaten to capsize and sink one and all – the loss of a key customer, supplier, or the sudden change of a competitor.

The Crew

The crew is being built. Maybe the Leader launched with a small crew, maybe more, maybe no one else at all. The first crew member is a major addition and it often marks a shift in how the family business sees itself. The next crew member, and then the next, and getting them all in and working together is a major effort. Building a team is a challenge all in itself. The goal is to hire the right people, and to get them into the right seat on the raft. Over time, there may be a handful of crew members, or there may be hundreds and hundreds. People. It's the crew that makes it all happen, and it is very important to take good care of your crew.

The Transition from Stage I to Stage 2

85% of the businesses that Launch never make it through the Consuming River Canyon according to the U.S. Small Business Administration. That is a staggering figure. Our hats are off to all the brave entrepreneurial leaders and their crews, who have the audacity to Launch in the first place. The power of a dream, in a country that supports fulfillment, is awesome.

- By the time a business emerges from the Consuming River Canyon everyone has been battered and bruised, tested in ways that were unimaginable at the outset, and they have, for the most part, prevailed.
- Modifications were made along the way.
- Skills were acquired.
- Crew members were brought in to enlarge the effort, and to replace those that were either lost or thrown overboard along the way.
- The Business that has survived is experienced, and becoming organized. Standard Operating Procedures are now starting to be put in place.

- Leadership has been tested and passed.

Those on the shore who have watched, are ready to support and invest in those who have survived. Families are relieved and ready for a long awaited opportunity to re-unite with the crew. No longer rookies, there is now a degree of professionalism among the crew; they know what they are doing and it shows.

The Profitable Paddle

What follows is a period of speed and profit.

- The River widens out for a while.
- The fast-moving current skims along without depth.
- The Leader and the crew have beaten the odds and tend to be a bit full of themselves for having achieved success.
- In the canyon, they focused on sales, and more sales, in order to survive.
- Now, they switch to marketing and are attracted to one new opportunity after another in a reactive way, not a proactive and planned way.
- There are complaints among the crew of having to deal with too many top priorities.
- Early in this Territory, the business is organized around the crew, not systems and procedures carried out by designated people.
- As time moves on, and after some stumbling caused by overconfidence and errant assignments of responsibility, a rude awakening happens.
- Those who worked so hard during the Consuming River Canyon might not be able to crew the business into this new territory.
- Also, the Leader is called upon make two important shifts: First, to stay focused on the business and not to become distracted by all the opportunities, both personal and business, that have come along since surviving the Canyon, and second, to begin the process of delegation without decentralizing strategic leadership.
- Confusion abounds about who is in control of what during this time of leadership ambivalence. The Leader is in control, and then some in the crew are in control, and it all becomes a paralyzing and confusing dilemma.
- There is infighting, and there are too many meetings being called.
- There is a sense that reorganization is happening, rather than strategic implementation.
- The Leader might be aging by this time, turning to one of the family to take over. When ownership trumps competence the consequences can be deadly.

At some point, a crisis of some sort occurs, a changing event that ushers in a transition to the next Territory.

The Wise River Fork

The current naturally carries the business in one direction. Yet, with wisdom the other fork can be taken.

- Conflict and inconsistency foretells the arrival of the Wise River Fork. The business has been organized around people, and chief among them is the founding entrepreneur and the most seasoned crew members.
- But, the river is different now, and a transition of enormous significance must take place. Standard Operating Procedures must be instituted, and everyone, including the Leader, must submit to them. Some Leaders can do so with success, but they are few and far between.
- Often, the business is sold, or more professional management is hired in as crew.
- When a new Executive is brought in, the timing needs to be right, the relationship with the Founder needs to be right, and the contract between the two of them needs to be clear to everyone.
- As the new Executive professionalizes all aspects of the business, feelings are hurt and resistance occurs.
- The Leader is tempted to jump back in. It takes enormous wisdom for the Leader to delegate the business to standardized processes and new leadership. Fears must be confronted. Boundaries become clearer, and yet the Leader crosses them on enough occasions to cause confusion, and

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possibly even conflict. Goals become confused during this time, as individuals jockey with each other, and with the corporate strategy that is being formed.

- Who is in control of what? That question is hotly debated, as the answers themselves are confusing.
- If the family gets involved in backing one leader over another, one policy over another, one strategy over another, the family business (and other owners, if there are some) becomes entangled in an enmeshed and energy draining drama.

If the Founder exercises wisdom, the fork that continues to lead up the River of Fortune is taken. If authority becomes clear and it is well delegated and ordered, and if SOPs are put in place that make sense, the business moves on to greater growth. At this critical juncture, wise choices were made.

The River of Fortune

This is what everyone has been working so hard to achieve – remarkable success. In many ways, this part of the River seems like the Profitable Paddle, but there are significant differences. The Profitable Paddle was a little bit like an Indiana Jones movie: everyone was making it up as they went along. Now, pretty much everything is under control. In the Profitable Paddle, they could tell you how they made money, and here, they can tell you how they are going to make money. They have a strategy and the support to make it work.

- They have a shared vision, values, and a mission that is compelling
- They have adequate Executive functioning that is effective, and respected
- Their Standard Operating Procedures are in place and working well
- Customers are happy, and participating in the strategy and its execution
- Metrics are used to protect high performance
- Profit is invested in assets

This Territory has its own unique challenges. Finding enough capable people, training them well, and getting them in the right place is critically important. By now Leadership is very aware of just how critically important it is to have an A+ crew, with everyone tasked to do what they are gifted at doing. And, with all the well-deserved success that is being enjoyed, it is important to keep leadership focused and present. Without the do-or-die challenges of the earlier Territories, the founder can become complacent.

The Status Quo that Leads to The Courage River Fork

Of course, not every business has the wisdom to move up the River of Fortune. Instead, some let the current carry them right past the fork. It is easier to do so. Leadership has become distracted by the success enjoyed during the Profitable Paddle, enough good people are in place doing a good enough job, profit is steady, and so the Leader doesn't bring the same drivenness to the business. Then, there is a tipping point:

- Product and/or service complaints rise, but are explained away
- Innovation shrinks as it is replaced by rigid compliance
- Urgency and excitement have been replaced by routine and acceptance

In a nutshell, the entrepreneurial spirit has been lost. The fire in the belly has been replaced by belly fat. While still successful, the business is suffering from stability. The business has been cursed with good enough, steady as she goes, don't rock the boat thinking.

Stage Three

With the decision to not take The River of Fortune, the business begins to decline. At first, the shift is imperceptible. With time, the rate of decline picks up speed. The organization turns in on itself, becoming calcified. It loses the dynamic energy that accompanied its flexibility in the first two stages. It is a bureaucracy, and becoming more so all the time. A sort of boredom settles in. Capital is not dedicated to research and development, big meals are purchased by big executives in big cars. Those who remain, who have the entrepreneurial spirit, talk with each other in the parking lot about missed opportunities.

The Courage River Fork

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Maybe the business has grown well and there is a Board of Directors in place that understands the threat of complacency. Maybe a new CEO is brought in to revitalize the business. Maybe a major customer challenges the company with a need for increased innovation, or else. Maybe profits are turning down and no new products or services are in the pipeline. Maybe succession is upon the company.

Regardless, the decision is made to turn things around.

- New leadership is secured from within, or without, and given great power
- A ruthlessly honest assessment is made of the crew
- A+ crew members are kept, developed, trained...lesser crew are moved on
- SOPs are subjected to thorough reviews
- Critical assessments are made, with the help of key customers, of all products and services
- A strategy is developed and it becomes gospel

There are rocks and rapids, changes in crew and equipment. Everyone knows that the Courage River Fork has been taken, that the status quo has been rejected, and that The River of Fortune is the destination. It is do-or-die again, and the energy is back.

Headed for The Falls

If the Courage River Fork is not taken, an audible sound off in the distance can be heard. It is The Falls. Anxiety about catastrophe might be spoken first by the Accountants or the Bankers. The trend lines are clear. There are cultural shifts as well, reflecting a shift in operational values.

- Following the SOPs has become critically important
- Big, Hairy, Audacious Goals don't receive much attention
- Formality of dress and behavior has occurred
- Space, some of it fairly plush, has proliferated
- Communication becomes obtuse
- Publicly everyone is "business as usual," but in private they are concerned
- Prices are raised rather than costs cut

The signs are there, but the warnings are not spoken forthrightly, or heeded.

The Desperate River Fork

The name states the condition. Desperation has taken over. Anxiety has built among some, if not all key leaders. If the business remains family owned, the founder and his or her spouse feel the stress of the decline most acutely. While the illusion of success is being maintained for the most part, in private there is talk of disaster. Some voices are crying, but it seems to be a cry in the wilderness.

- Maybe a merger or acquisition is in order
- Maybe some outside consultants can help
- Maybe some liquidation should take place to rebuild cash reserves
- Maybe pay raises and bonuses should be cut back
- Maybe debt should be renegotiated

Bankers are often the first to initiate difficult conversations. Emotions begin to cloud objective analysis and strategy. There is a desperation gripping the business from the top down. In this climate of anxiety, a bold decision is made. Finger pointing is replaced by a decisive strategy to really shake out the dead wood, and to turn-around the company. Everyone knows that this will not be easy.

The Last Branch of the Turn-Around River

- Nothing is sacred any longer
- Everything is up for review
- All loyalties are re-examined
- A team of turn-around specialists is gathered, including some from the inside, and some from the outside
- Steps are taken to define where the business is now, where it wants to go, and how to get there
- Very, very tight metrics are identified, against which progress will be consistently measured
- Vendors and Customers are visited and a new marketing effort is put in place with them
- The truth is told to everyone, to all stakeholders

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- New leadership takes over

It is back to do-or-die. The feeling is the same as at the beginning, while in The Consuming River Canyon. Formalities are gone and innovation is back in vogue. The going is tough, and long. There are rocks, rapids, and swamps. Keeping morale up in an atmosphere of skepticism is the primary job of the Leader. Successes are enjoyed even while progress is spotty at times. The old board room is turned into the war room. Expensive logo-wear is replaced by common clothing. Sleeves are rolled up, and the grass is cut less often as capital is focused on executing key strategic initiatives – period. Success is The River of Fortune, and no one is settled until the business is there.

The Last-Chance Portage

If The Desperate River Fork is passed by, and the Last Branch of the Turn-Around River is missed, the remaining A+ crew will be swimming to shore. Loyalty to the doomed enterprise will be kept by only the few who see opportunity to yet turn-around the business. The temptation to expend energy blaming past leadership must be thwarted. If there is any hope left at all, it will be in The Last-Chance Portage. An extraordinarily tight, highly competent and specialized crew has to be assembled. Some will come from inside, and some will be brought in from outside. Their sole mission is to save the company by taking it back to the point where it can make a new decision to take The Last Branch of the Turn-Around River. The odds are clearly against success. The risks are total.

- The Black Box, if it has not already been opened, must finally be thoroughly and honestly opened and cleaned out. Whatever has been avoided must be confronted straight on. To do less is to create an atmosphere where blame is spread all over, thus paralyzing the entire crew.
- Administrators must be pared to the barest number, and entrepreneurs must be freed up from the constraints of the bureaucracy
- Key department heads meet regularly to re-open communication and to support flexibility
- Like the couple that is facing imminent divorce, the leaders must seek outside help
- Because anxiety is at a high point, the Leader(s) must be able to stand steady in a non-anxious way, and to set a new vision for the company.
- Leadership becomes much more directive again, and centralized in ways that it has not been in a long time.

If the Portage is successful, the business has cleaned house, lightened the load, gotten new leadership, and is ready for the Turn-Around River. It still has a chance at life.

The Falls – Stage Four

This is the moment in time when the bank calls the note. When a critical customer cancels and flees. When a key department head leaves. When the founder refuses to let go, even though his vision has failed and he can't even see the mist rising from the water up-stream. The rocks precede The Falls. It is a dark day when everything crashes over into the abyss.

- Exactly what event marks the moment will depend on the situation at hand
- Maybe The Falls have been anticipated for some time, and once they arrive, there is no shock at all
- The grieving process begins its normal healing work and those who work with it, will survive

The Death Grip Drift - Cemeteries All the Way Down

Now, in a desperate effort to stay alive, denial takes hold. All is lost. The point of no-return has come and gone. Reality is avoided at all costs. Hard and soft capital is lost piece by piece, person by person, as the craft falls apart – splintered by The Falls – all is lost. But, denial persists. Pathos marks the story. This can be a time of great sadness.

- Often, creditors are burned.
- Remaining customers are in a predicament.
- The family is dealing with a damaged reputation.
- Lawyers and Accountants demand time and energy as they close the business down.

There is a strange sort of grief that overtakes so many in the business. This is especially true for the leadership of the company, for they are the ones who have been staving off rumors for months. Now,

with the business out of control, the inevitable death of the business is all but closed down. But alas, even this can be done well. One can stand tall on principle, and go down with a measure of class.

Remembrance Riffles

Stories are all that is left now. Capital has been taken to settle outstanding debt. People have moved on. The doors are closed. The business is fast becoming a relic of history. Not much else is going on. Ever more, it is only the memories.

The Dead Sea

When you look at our River Map on the wall in our office, you will notice that the Sea of Opportunity, and the Dead Sea, might well merge somewhere below and off the map. One of the great pieces of wisdom that comes from the Christian tradition is that death and resurrection are the same events. They are not separated by time; death and resurrection are opposite sides of the same coin. Out of calamity, opportunity can be found. It might take some looking, some soul searching, but it is the law of all progress, that it happens in fits of starts and stops.

Those of us who are realists know how wise it is to be an eternal optimist.

A Comment

Metaphors work most of the time, but not all of the time. We hope that our River Map metaphor stimulates your thinking and gets you to wondering about your story. Our questions are:

Where have you been?
Where are you now?
Where do you NOT want to go?
And, where do you really want to go?