

# Why fast-track leaders lose their mojo, and how to gain it back

**CONGRATULATIONS!** Your company made Inc. magazine's 500/5000 list of fastest-growing companies. The invitation to go to the grand induction ceremony is on your desk. Your baby, Rocket Inc., is now on the map. Local papers have printed the announcement on the front page. The phone has been ringing off the hook from potential investors.

Woohoooo!!! You, the founder/executive/ CEO/leader, made it into this fast-track exclusive club. What could be better?

So.....Why do you feel like a phony as you cut the celebratory cake? Where is your elation of the accomplishment? Why are you engulfed with fear that the whole facade will come crashing down and hit the dirt?

You know and the statistics show that fast growth generates a myriad of new problems. The fast road to success is not littered with rose petals alone—there are many, many thorns embedded in between.

Founders/executives/leaders of most fast-growing companies are inadequately prepared for the many financial, operational and personal risks that pop up and become killjoys. I can safely bet that you relate to at least a few, if not many, of the following:

**Risks that rob your mojo**

- 1. Cash flow crunch.** The ebb and flow of cash in and cash out gets extremely complicated. Fast-growing startups burn money for years before generating a positive cash flow. Your monthly expenses may exceed the inflow. A common scenario is exceeding your credit line and suddenly one bad sales month spells disaster.
- 2. Turnover.** You funded the last few cash flow shortages by postponing payment of your salary and that of some of the other senior team members. Some of the employees, including your right hand people, are polishing their resumes. Contractors and suppliers are threatening to stop providing products/services and may actually follow through.
- 3. Need to spend to become a big company.** Your team is pushing for more robust processes and equipment to deal with the present load and the growth trajectory. All this requires cash, but cash is scarce.
- 4. Finding good investors.** Those who can partner with you and be

**tips**

- 1 Founders/executives/leaders of most fast-growing companies are inadequately prepared for the many financial, operational and personal risks that pop up and become killjoys. Here are a few more than those outlined in the article:
- 2 Constant crisis management. Lack of controls. Cultural dissolution.
- 3 The world has moved on. While you made a big dent with the early adopters, new competitors have come in with newer versions of your product. Customers are evolving. You haven't even recovered the investment in the previous processes and here you are, having to change again.
- 4 Your family life is in the pits. You are doing all this for them and instead of being grateful; they think you are checked out. You are exhausted and don't have time for more drama.

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supportive to help you grow and prosper. They exist but, where are they? How do you screen them? Sometimes, smelling blood in the water, what you are getting are offerings laced with crazy conditions. These predators-masquerading-as-investors want their pound of flesh even if the venture fails. You want to say “no.” Are you in a position to say no?

- 5. Investor relations is cutting into ‘productive’ effort.** You had collected enough investment dollars to tide you over the erratic cash flows. You are now indebted to many people who demand your time whenever a thought occurs to them. Every week, new cash flow projections have to be prepared in “their” format, not the one you winged last week. When do you do real business?
- 6. Trying to race a VW Beetle at the speed of a Ferrari.** VCs have invested big money in you to grow fast and become a “unicorn.” You have to keep going faster and faster. The more you speed up, the more is required from you. Where is that money coming from?
- 7. Operations and customer service problems.** When you started everyone and anyone could handle all aspects of the business. The processes were simple and one-person-smooth. Now you have silos, and the left hand does not know what the right does. Meanwhile, the internal team is praying for a slowdown so

that they can catch their breath. You can already hear the stress level and petty fights in the voices of customers and employees.

- 8. Over-reliance on early customers.** The growth that put you on the map was from the few early customers. They know it and are continuing to tighten the screws. In order to be successful you are now trying to diversify your product line, expand geography, and increase margins. The early customers are not agreeing to change to the new programs. Do you let them go or continue to service them as a loss leader?
- 9. Star salespeople bomb out.** To keep up with ever expanding sales requirements you hire many new salespeople. They were stars in their previous positions. In your venture, a good percent cannot deliver for many months. They incur costs of on-boarding, training, travel and any “guaranteed” bonuses. The costs pile up. However, the sales are a promise in the future.
- 10. Responsibility for the entire value chain.** You meet the family of your team members in the company picnic. You smile dutifully but cringe inside at the thought of how many people are dependent on you. You worry about everyone in the complex value chain of suppliers, customers, business partners and stakeholders. You must keep them engaged and successful. The burden of the entire chain is on you.

I could go on, but you get the idea. Passion, what passion? This was your dream, your energizer. What happened? Your enthusiasm is waning. You are killing yourself physically, mentally and emotionally. You question whether all this insane effort was worth the physical and emotional pain. How are the problems of rapid growth better than those when you had little growth?

Growth risk is an important issue. It is equally as relevant as economic downturns or technology obsolescence. Those issues are also on your mind. While others celebrate the growth of your company, many organizational, professional and personal issues have formed a twisted rope that is slowly strangling you.

You are definitely not alone. I have been there. I have felt that. My last company was in the Inc. 500/5000 for five years in a row. At one time or another, I have felt the pain and agony of many of these issues and more.

**Now what?**

The second part of this article will appear in the February/March issue of Upsize, in which I will outline several entities and groups that can help you and share some of this burden with you. I will also outline one particular resource that is not used often enough by fast track leaders. In hindsight I wish I had made use of that resource when I was struggling with these very issues while building a fast-track company.



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