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THE PERPLEXITY OF FOUNDERS

You may have heard the term “Founder’s Syndrome” to define what happens when an organization outgrows a long-tenured leader. Yet on the other side, what happens when that legacy leader continues to lead the organization so successfully that it seems nearly impossible to imagine continuing without them? This phenomenon is just as common as the latter.

Founders are defined in their truest sense as someone who founded a company, but also as a leader whose

personality and leadership have so deeply imprinted on the culture that they deeply reflect the culture. Typically, founders have led the company for a longer term, 10-20 years. However, in cases where radical transformation took place during the leader’s tenure, it can be as little as five to eight years.

As the terms above suggest, this embodiment of the organizational culture can often work to a leader’s detriment, yet it can also lead to outstanding success.

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Founder-Led Approach

Many founders innately believe processes and systems may dampen the creativity, urgency, and agility of the organization. This translates into a culture where loyalty reigns supreme and reluctance to establish and define procedures and systems permeates, often affecting investment in developing talent.

Most of all, decision-making processes are often ambiguous. The collective belief is that success hinges on the ability to be agile and flexible—a system that relies heavily on the persona, values, and expectations of the founder.

In their book, *Founder's Mentality*, authors Chris Zook and James Allen explore how leading like a founder helps overcome the challenges of growth by utilizing founder-like behaviors to restore speed, focus, and connection. Founders are often visionary, mission-driven leaders with a hyper-focus on delivering results.

Yet, when the organizational culture and success become so entrenched in a specific leader or their influential personality, it can be extremely difficult to see a future without them.

Succeeding the Founder

Much like a scene ripped from HBO's *Succession* or movie classic, *The Godfather*, the clandestine discussions of the inevitable retirement or transition of a Founder rarely reach a healthy level of transparency and may only serve to create an internal power struggle to the further detriment of the company they built with their blood, sweat, and tears. Continuing the momentum of a successful founder-led organization relies on the intentionality of the transition. Choosing a CEO is the most important decision the Board will ever make on their watch. That importance and level of challenge grow exponentially when a Founder is the incumbent.

Bringing the discussion out into the open and agreeing on the rules of engagement are critical first steps toward moving forward. Ideally, the structure of discussions should include these five steps:

1. Practice candor and courage.
2. Commit to rigorous discourse of key decisions.
3. Establish clear boundaries.
4. Define decision rights and how decisions will be made.
5. Solicit and deliver feedback.



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By defining this framework for communication around the transition, the Board can begin to tackle fundamental questions:

- What are the criteria for success in the next leader?
- What does the culture need?
- What do we want to preserve and change from the previous founder?

Honoring a Legacy

When a founder is such an integral part of the culture, there is a deep and often unspoken desire to preserve the leader's legacy as they transition. The Board and executive leaders must ask themselves:

- What does it mean to show we respect them?
- What is the honor of a legacy we create?
- What does that look like (e.g., naming a wing of the hospital in their honor)

Then, there's the challenge of the transition period and the future role of the founder:

- How long does the founder stay around?
- What is their role in the transition?
- Do they serve on the board?
- Should they maintain an office on-site?
- Are they on the speed dial of the new CEO, or do they move on and completely disconnect from the org—whose decision is this?

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Courage is Kindness

No two CEO transitions look the same, especially when a Founder is involved. Having the courage to bring the discussion into the open is the kindest thing you can do for everyone involved. Letting it fester underneath the organization's surface only leads to misunderstandings and irreparable damage to the leader's legacy and the organization's future success.

Using the five-step framework above, you can create clarity and begin to identify key components of the transition and define the roles of the board and executive leadership team. It may seem simple on its surface, but there are so many nuances to consider regarding the far-reaching impact of not only the final decision but the process that was used to make the decision.

A Perplexing Feat

Imagine for a moment that someone comes to you and asks you to replace the frame inside your hospital or headquarters, but there is one catch—everyone must remain in the building safe and sound. This task will be difficult because it is hard to change the structure without destroying the building's integrity. The frame is where all existing pieces connect to maintain shape and keep the building safe and stable.

The challenge is the same when it comes to replacing a Founder whose inevitable departure creates a massive gap that is difficult to fill. It is up to the Board, the new CEO, and the executive leadership team to develop a solid plan that maintains the integrity of the organization and honors the Founder's legacy, which has masterfully shaped the current culture, all while executing plans for an effective transition and success of the new CEO and their team.



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