

THE MOST DANGEROUS JOB IN AMERICA

THE MID-MARKET EXECUTIVE

By: Darin Leonard

Danger comes in multiple forms but in this case, danger is defined as job security, or the lack thereof. What we know is that the average tenure of mid-market executive is just over 24 months according to BusinessWeek and we also know that very few people are asking why?

There are numerous factors behind the statistics. Loyalty in the workplace is gone. We watched as young adults our parents grow up in a world of pension, tenure, and retirement only to have the model flip on them to 401k, contract, and consultant. As we watched the transition of American business happen above us, we sadly, yet sub-consciously were taught that we needed to be free agents, to take care of ourselves because the company surely wasn't going to take care of us. This created an environment where the experience of five companies in fifteen years is viewed as superior to the loyalty and proven ability to deliver over twenty years in the same organization. People with multiple jobs have seen more cultures, more problems, and more exposure to good and bad leadership. They just know more!

We now live in a professional world where the ability to deliver on the job for an extended period of time simply has little value. Who reading this right now really thinks about the impact your decisions today will have on the company five or ten years down the line? Today's business climate almost requires us to live for the day. Your shareholders rarely say; "no its okay, don't worry about the quarter, just make sure you deliver moving forward." What about the Private Equity Group saying to the Founder/CEO, "We want you to make the right decisions for the long term viability of the brand even if that means a reduction in top line for a while."

When the metrics in which we hold leadership accountable are short term in nature, the behaviors are soon to follow. So why does an average tenure for a VP of Sales of just over 2 years surprise anyone? One of two things is going to happen: either he/she is successful in making a big splash and leverages it into a superior position inside or outside the company, or, more commonly, they simply can't deliver in an acceptable timeframe and that timeframe is ever shrinking. Just recently, I knew of an individual that took over as the Interim VP of Sales for Private Equity held company. They were released from the role in two months because the revenue wasn't coming in as the firm expected.

Here is where we get to the real rub in the mid-market, which by the way, is where the churn of leadership is most prevalent. We simply ask too much from one person. In my days with Maytag, the VP had multiple Directors, who in turn had a platoon of Managers, who ultimately led the sales organization. To use a military analogy, the Generals created the strategy; the Colonels took those strategies and then broke them down into actionable plans for the Sergeants who barked tactical commands for the Corporals and Privates. In the mid-market company today, there are no Colonels or Sergeants. The Generals are talking directly to the Privates and that language of "Strategy and Vision" has no translation for the tactical, bag carrying sales rep to understand. The end result is a big gap.



In our business, we are consistently asked to join organizations that have churned through several executives. The cycle is eerily similar in most companies. They have hired good pedigree, strong resumes and rock star bios. The hire traditionally is a strategic mind and can cast a vision for what they wish to accomplish when you bestow upon them the mantle of leadership in your company. Then sometime after 6 months but almost always before 18, it starts to happen. The grand promise and hope attached to this individual starts to erode. The vision isn't converting to revenue or share growth. The team is starting to show frustration or you are losing key talent and the reason is right before you, yet, you cannot see it.

Organizations need executive leadership to cast the vision and they need leadership to lead the troops with empathy, compassion and consistency. Or in my terms, you need the visionary, entrepreneurial leader that is also excellent on analytics, metrics and empathetic people management. Now try to count on one hand the leaders that you know that fit the description in the last sentence. If you happen to know one that can deliver both for an extended period of time, they are currently running companies or are senior executives in major corporations. Likely, they probably aren't working for you.

The solution is simple, so simple it may surprise you. That surprise may turn into anger if you are currently paying a sitting VP while still paying for the severance package from the old one. Hire the visionary to build your strategy, create your structure and define the tactics or plan to achieve success. If you can't find one that will take a W2 post with a known exit, look to do it on contract. Embrace the reality that this person is probably only with you for a season and begin the search for the empathetic, strong leader of people that can carry the ball handed off by the visionary. You will then have the strategy to achieve exponential growth followed by the leader that will actually get it done.

Crazy and controversial? You bet! Is it logical and real? From my perspective, it is the future...

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