

Surviving No Man's Land

Most companies in our state are small to mid-sized and we serve over 1,000 of them! Somewhere just past "small" is a danger zone where many companies die, called "No Man's Land".

Growing companies need the capability to scale up if they plan to survive to (or beyond) mid-sized. People are at the very heart of success or failure on this journey!



Image from "No Man's Land"

! THE PROBLEM

A determined founder can (and will) do anything at anytime for almost any price to deliver on their promises. The problem is translating the owner/founder/entrepreneur's value proposition to a larger scale. High performance at a low price is a formula that works in small, low overhead environments. It will not work at higher volumes.

Companies that survive No Man's Land find ways to substitute muscle, awkward processes, underpaid staff and overwhelmed owners for "normal people doing normal work for normal compensation". Getting there is the biggest challenge any small business faces. In fact, it is such a challenge to grow successfully that staying small with good margins is the right decision in many cases!

😊 THE ROLE OF PEOPLE

Doug Tatum's book, *No Man's Land*,* identifies several hurdles to crossing the chasm. These patterns appeared repeatedly in his work as founder of Tatum CFO, a very successful fractional CFO firm serving small to medium businesses. Many of the roadblocks involved people. When the owner/leaders realize they can no longer keep the business lined up with customer and market demands based on their own extraordinary efforts, action is needed.

Outgrowing your key employees, your management team and their own experiences is a significant challenge in No Man's Land. Without people who know what it looks like to run a larger, more effective operation, how do you expect to get there? This can mean tough choices around new expectations and affect even the makeup of your leadership team. Tatum's main message is the wisdom of hiring beyond today's needs in key roles despite the cost and the temptation to make do/hope for the best.

🌊 COMMON CHALLENGES

Firms usually find themselves in No Man's Land much like gradually getting lost in a wilderness. Common signs: difficulty meeting customer promises, decision-making is too complex, stalled growth, misunderstanding profitability, difficulty in financing, stuck leadership and reporting systems that are no longer meaningful. These are problems caused by growth, but left unchecked will become the causes of failure.

👤 THE TOUGHEST DECISIONS

The most difficult part of major business decisions can be people issues. People who were crucial in the entrepreneurial stage may be over their heads as the business scales up. Others can adapt well to new demands (even become energized by them) if supported and shown a desirable end-state. Some people want to be freed from Rube Goldberg processes while others are frightened at the prospect of transparency and accountability to new methods. Painting the right picture for everyone of that productive place between panic and complacency is difficult. Staying the course through No Man's Land is part of the commitment to go there in the first place.

If your business faces the exciting challenge of building a bridge across a yawning chasm without proof that your model and people will succeed, read Doug Tatum's book. It will both confirm you have lots of company, as well as provide tools and thinking to make it work. I would like to hear from you on your reactions and plans!

**No Man's Land: A Survival Guide for Growing Mid-Sized Companies*, Doug Tatum.

Contact me directly if I can help you or your team.

Bruce

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Executive Scan is written by CAI's CEO, Bruce Clarke, JD.

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