

PREFACE

WHO'S YOUR MIKE?

As entrepreneurs we're always looking for the silver bullet. An easy fix for the challenges that inevitably come our way. I have a feeling that's why most of us pick up business books in the first place.

Unfortunately, life doesn't come with silver bullets.

My name is Kurt and I invite you to join me in a conversation about people. Specifically, the types of employees you'll likely encounter on your entrepreneurial journey. Because, as we all know but rarely understand, your company is only as strong as your people.

I've worked with high-growth companies for almost thirty years. I've made a boatload of mistakes myself and I've witnessed exponentially more. And many of those came from having the right people in the wrong seat and vice versa. I had to learn my lessons the hard way. My hope is that you can learn from these mistakes so you can avoid them yourself—with this book as your guide.

My Problems with the "Traditional" Business Book

Like many entrepreneurs, I've got a stack of business books on my nightstand—most of which I simply can't get through, if I'm being honest. Sure, there're a few I've read cover to cover because I found them to be engaging, informative—and yes—entertaining. Books like *The Five Dysfunctions of a Team* by Patrick Lencioni, *Start with Why* by Simon Sinek and *Good to Great* by Jim Collins should be on everyone's list of must-read business books. And in my references I've listed a bunch of other books which have shaped my thinking as an entrepreneur—and advisor to fellow entrepreneurs.

However, while the vast majority of business books may have a few pearls of wisdom, most just don't have enough to carry me through an entire book. Believe me—I've tried! I've had a ton recommended to me, and I've purchased most of them! I would bet that, on average, you really only need to read 20 percent of each of the "amazing" business books you've been recommended. The problem is, you just don't know *which* 20 percent!

I also think most of them are simply too fluffy. They're written by successful leaders or consultants who tell you how great you'll be if you just follow "my ten-step process" or "my eleven keys to business success." As such, there are too many stories of rainbows and unicorns, and not enough straight talk about everything that can, and inevitably does, go wrong.

If you're anything like me, you learn by example. Either directly through your own pain and suffering, or from the stories of others. Real-life stories. Personally, I want

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to learn from your challenges and successes and apply them to my situation. And don't just give me glory stories, I want the gory stories. The messier the better. The bigger the shit show, the more powerful the lesson!

The Importance of Talent

We all know the importance of a strong team. We need to get the “right people on the bus” (Jim Collins in *Good to Great*) and get the “right people doing the right thing right” (Verne Harnish in *Mastering the Rockefeller Habits*), and some of us have explored the EOS[®] Right People Right Seats exercise (from Gino Wickman's *Traction*).¹

Based on my two-and-a-half decades working with entrepreneurs, I can confirm that most of you know you need to recruit great people to build a great business. But it's just as important, if not more, that you put those great people in the right roles—and get rid of poor performers and bad apples. Sounds easy enough, right? Like most things in business, the seemingly easy stuff is often the hardest—especially for entrepreneurs who are eternal optimists, or hate having challenging conversations, or just want everyone to “do their f-ing job and leave me alone!”

That's why I'm writing this book. I want to start a conversation about all aspects of talent. And I want the leaders of entrepreneurial companies to relate to the real-life stories within. No pie in the sky. My hope is that you can connect these stories with your own and make the changes needed to take your business to the proverbial next level. Some of these stories are mine, and others have been gleaned from the hundreds of business leaders

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I've worked with in my eleven years at HireBetter and my previous sixteen years in professional services. I'm here to help you learn from my observations and my own very real challenges.

The best part? You don't even have to read the entire book! Just read the chapters that speak to you. Take what you want and ignore the rest. This way I can stay true to my nobody-reads-an-entire-business-book-because-they're-80-percent-bullshit mantra! But I have a sneaking suspicion you'll find a lot more than 20 percent will apply to you.

About This Book

We've all made hiring mistakes. It's simply impossible to get every hire right. Sure, there are tools you can use to minimize the risk of making a mistake; the marketplace is riddled with assessments or psychometric tests like Predictive Index, TTI Success Insights, and DISC, as well as hiring practices like Topgrading and HireVue. There are thousands of recruiting firms who claim to be able to help you hire "the best" or "the fastest" or "the cheapest" talent. And, of course, there are reputable recruiting firms like Spencer Stuart and Egon Zehnder; and recruiting partners like HireBetter. But it's impossible to bat 1.000 on new hires.

The bottom line is that you're going to make mistakes. No matter what system you use, no matter what recruiters you bring in, and no matter how much you pay for assessments or the flavor-of-the-month recruiting tool, everyone makes hiring mistakes. This book will help you

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reduce your hiring mistakes on the front-end and will help you validate (or invalidate) your thinking when you believe you've made one.

How about employees in the wrong seats? Yep, we have those too. We all do! Every entrepreneur has someone on their team who: (a) they've outgrown; (b) is in the wrong seat; (c) was a great individual contributor but crappy leader or manager when promoted; (d) has simply become a problem-child; or (e) fill in the blank. They're just not a good fit in their current role.

By the end of the book, you'll be able to spot the bad ones from a mile away when recruiting. And you'll be able to identify people you need to move into other seats—or simply remove them from the damn bus. My hope is that you'll learn a few tips about how to avoid certain situations and how to have productive conversations when the time comes.

This book isn't just about hiring better and firing better, it's about helping you decide who you need to hire, who you need to invest in, who needs to be reassigned, and who needs to go—yesterday. All high-growth, entrepreneurial companies have employees they've simply outgrown, even key ones. I've seen it many times—yesterday's hero is today's liability. Many of us promote long-term employees into leadership roles only to realize we made a mistake, and they need to be moved back into an individual contributor role.

I hope you identify with some of these stories and they help you see solutions you may not have seen before. Trust me, no one has all the answers and there's no secret formula. Anyone who tells you otherwise . . . is

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simply full of crap.

Lastly, keep in mind that *this* book focuses on challenges with your employees and recruiting and hiring for your organization. We recognize that sometimes the challenges begin (and often end) with the entrepreneur . . . but that's a whole 'nother story.

INTRODUCTION TO WHO'S YOUR MIKE?

At the time of this publication, the number-one thing keeping the leaders of entrepreneurial companies awake at night—is talent. Access to great talent. Recruiting and retaining A-players gets most of the attention. There's a second challenge that isn't talked about as much: employees with whom we need to part ways, whether by firing them, counseling them out, or helping them find another job. But a third one is RARELY, if ever, discussed, despite the fact that it causes a ton of headaches. I'm talking about the long-term, legacy employee whose role has outgrown his or her capabilities. Yesterday's hero who has turned into today's headache.

This is a real problem for companies that are growing and scaling. In fact, it's so common that everyone with whom I share the following story has seen it in their own companies. Every time I tell it, heads nod vigorously, and founders and CEOs lament their own situations, past or

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present.

I've seen variations of this story hundreds of times—with practically every client, colleague, or peer—and even in my own companies. I firmly believe that if you're honest about your own situation, you'll recognize this employee in your midst. In fact, I'm so confident that, once you've read this story, if you can honestly tell me you haven't seen this situation yourself, drop me a line and I'll buy you a taco and a beer the next time you're in Austin!

Meet Mike

Mike was your fraternity brother in college, your best friend. You would do anything for each other, and you did a decent job of keeping each other out of trouble and surviving school. Mike has a marketing degree, but he did take three hours of accounting. He thinks he got a B in the course, but honestly, he barely remembers going to class.

A few years after college, you started your business in your garage and Mike was right there with you, nights and weekends. He seemed to understand numbers and you trusted him with your life, so he became your go-to guy for all the accounting and administrative crap you don't fully get. He taught himself QuickBooks and turned himself into a helluva part-time bookkeeper.

As your fledgling startup went from “great idea” to “let's f-ing do this!” Mike was there every step of the way. Your baby became a real company, and it didn't take much to convince Mike to quit his crappy 9-to-5 job to work with you.

Mike's official title was accountant. He was in charge

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of keeping the books, making sure your three other employees and your vendors got paid accurately and in a timely manner. But in reality, Mike was your right-hand man. He did anything and everything you asked him to—and more. Need some numbers crunched, some dirty work done, or floors swept? Mike was there. No questions asked.

Over time, the company grew and became more and more legitimate. You added other key employees to your team, but Mike was always there by your side. Real companies need real titles, so Mike was promoted to controller. For him, it was the next logical title, it looked great on a business card, and he earned it with his dependability and work ethic. You trusted Mike implicitly and there was no one you'd rather have in the foxhole with you.

Now, your company is growing like crazy! It looks like you timed the market perfectly—customers love your product. As the company expanded in every way, so did Mike's responsibilities. You decided to promote him to CFO because you wanted the bank to stop bothering you and talk to him! It was the next logical step for him anyway, and he was your most senior accounting and finance person (actually, he was the **ONLY** one in that department). More importantly, Mike asked for the title, and he was busting his ass, so you looked at this as a way to reward him. And titles sure are cheap for early-stage companies!

Five years in, and you guys are crushing it. You're now pushing \$20 million in revenue and Mike's right there, with his three hours of accounting and QuickBooks certification under his belt. Mike's working 100-hour

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weeks to keep up. He's essentially learning on the job—and he hasn't learned to delegate, so he's basically doing the job of three accountants.

Bigger companies lead to bigger opportunities—and bigger challenges. In addition to his day job, Mike is attempting to negotiate a \$10 million line of credit with the bank, while simultaneously negotiating the acquisition of one of your biggest competitors.

But Mike isn't a true CFO. He's overwhelmed, overworked, and, well, he's in way over his head. You know Mike is working hard, but you don't know the full extent. In addition to his 100-hour weeks, Mike hasn't taken a vacation in years and he's struggling mightily to keep all the balls in the air. Mike doesn't want to let you down. So you don't know all the implications . . . until it's too late.

Mike has become a bottleneck—a damn good one. He's extremely loyal to you and he wants so badly to be your go-to guy, but things are falling through the cracks. The bubblegum and duct tape that was holding everything together begins to give way. Mike has never had the skills or experience to manage all of these next-level CFO responsibilities, no matter how hard-working, loyal, or trustworthy he is.

It's taking longer and longer for him to get the books closed and financial statements out. In fact, you're losing confidence in his numbers, and he's struggling to track down facts and figures for leadership meetings. You're having to hound him for basic details, and now you've found yourself covering for him. And Mike, your good friend and key lieutenant, is utterly, wholly exhausted.

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Who's Your Mike?

Maybe your Mike isn't in accounting and finance. Maybe he's in sales, operations, or product development. But trust me—you have one! In all my years as an entrepreneur and working with hundreds of other entrepreneurs, this was right up there with death and taxes: one of the few certainties in business. I've had Mikes on my own teams and I'm confident that you have, have had, or will have, your very own Mike.

Telling a Story

I used to ask clients if they had someone on their team that the company had outgrown—their own Mike. And I'd usually get an immediate, defensive “NO” for an answer. After all, no one wants to admit that yesterday's hero, yesterday's trusted lieutenant, perhaps even your best friend, is now a liability to the organization in their current role. But when I told them my “Who's Your Mike?” story, it hit home.

Let's face it, the best way to learn is the School of Hard Knocks. I'm a prime example. I learn my most valuable lessons the hard way—by getting knocked on my ass! But I also found out that I learn pretty well by hearing the stories of others—kind of an entrepreneurial cheat code.

I know I'm not the only one. Many of us (especially entrepreneurs) seem to learn better through hearing the nitty-gritty, real-life stories of others. (Definitely better than reading a damn run-of-the-mill business book, that's for sure!) Personally, I don't have patience for your “12 Steps to a Better Team” or your workbook on how to hire

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effectively. Enough with the business book gobbledygook. Tell me your story and it will stick with me. And, as I said before, the bigger the shit show, the better my retention of what to do—or better yet, what not to do!

That's why I'm writing this book. My hope is that you can relate these employee-centric stories to your own situation and make the changes needed to take your business to the next level. In this book you'll meet many of the characters I've witnessed on my own journey, like Mike. You'll meet senior-level "leaders" brought in from the outside, like Pipeline Paul, Techno Tim, and Resume Ralph. And you'll read about legacy employees like Right-Hand Rita, Bounce-Around Betty, and Harry the Hustler. Some are lost causes, some have outgrown their original role, and some can be triaged. But they're not all bad. In fact, some might thrive in a new role with the right guidance, coaching, and support.

A number of these stories are mine—and others I've gleaned from the hundreds of business leaders I've worked with over more than twenty-seven years in professional services. I've taken a lot of notes along the way, and I'm here to help you learn from these very real challenges.

So, What Do I Do about Mike?

I'm confident that after reading about the characters in this book, taking a fresh look at your own people issues, and reading the suggestions in the Intermission chapters, you'll come away with the clarity and confidence to handle your own Mike (or Paul or Tim or Betty) situation.

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So, buckle up! You're about to enter the chaotic world of the entrepreneur. You'll get an up-close look at many of the characters those guys and gals encounter as they slog their way through the entrepreneurial phases of growth in order to successfully grow their companies. Enjoy!

Think you have a Mike? Or a Paul, Rhoda, Harry, or Tim? Take my free assessment at Who'sYourMike.com/quiz and take the first step toward identifying your people challenges and opportunities.



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YOUR BOOKKEEPER-TURNED-CFO

“Most rapid growth companies stagnate when they reach a certain point and outgrow legacy employees. They need experienced hires who have done this before, who have already made the natural mistakes that are part of the learning process. Mistakes made on other people’s dimes.”

– **Doug Tatum**, *No Man’s Land*

Remember Mike? The do-everything lieutenant when you started your company in your garage, who became your CFO as you barreled toward \$20 million in revenue? Funny thing is, he didn’t seem so overtitled until recently; now he seems to be overwhelmed on a daily basis.

You might find you’re more and more frustrated with Mike these days . . . but is it possible that you set him up for failure? He excelled when your team was full of generalists who did a little bit of anything and everything, so you rewarded him with titles and responsibility. He still works his tail off, but he’s simply unable to make

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the jump to kickass CFO.

So, what do you do with Mike? He's been by your side from the beginning, and he's been incredibly loyal, someone you could count on. Do you simply accept the new reality of fast-growth mode—that he's going to make a ton of mistakes as he learns lessons the hard way—inevitably stunting your company's growth in the process? Do you move him into an individual contributor role and bring in a more experienced person to lead the team? Do you make the hard choice to let him go?

I bet this sounds familiar. I've seen some version of this play out with virtually every entrepreneurial client, friend, or peer I know. Your Mike may not be in accounting and finance. He or she might be in sales, operations, or product development. But you have (or have had) one: someone who has been by your side for much of your journey, loyal and willing to do almost anything that's asked. They've been rewarded with promotions and responsibilities to the point where their titles are inflated and they're so far over their heads that they're at risk of imploding. And they're utterly exhausted.

So, let's figure out what to do with your Mike.

What's Wrong with Mike?

It's one thing to recognize you have a Mike and acknowledge that he's holding you and your company back. It's another thing altogether to take the hard steps to do something about it!

As you scale your business, there are steps you need to take in order to professionalize it. One of the main things

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holding your Mike back is often one of the reasons he was so great early on. He's a bootstrapper who isn't afraid to roll up his sleeves. He won't ask his team to do anything he won't do. But that's the thing—he never built a team. He struggles with delegation and tends to do things himself. He says things like, “I'll just do it myself. It'll take longer to teach someone else how to do it.” Truth be told, this is a common struggle for many entrepreneurs too—myself included.

As we dive into other personalities throughout the book, we'll talk about solid performers who lack the drive and initiative to grow and take on challenges. Maybe they're B-players. But Mike is the opposite. He's willing to go the extra mile and work 100-hour weeks for you and the company. This character trait is vital for startups, but it often doesn't work as well at the next level—where you need to work smarter, not harder.

Mike simply isn't the guy for the job at the next-level, at least not *yet*. But it's not for lack of trying. He's just not a true leader. He's always done everything himself, and he definitely doesn't know how to identify, recruit, and onboard game-changing talent—people who are more talented than he is! These traits weren't necessary when he was employee number three in a five-person company. But now that you're scaling your organization, you need a different skill set.

Celebrate Mike

Let's take a step back and appreciate what it means to have a Mike on your team. While it's a new challenge, it

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also means you're crushing it! You're building a badass company. You started from zero and you're well on your way. Congratulations! You should be proud of what you're building. Consider Mike to be a badge of honor—you've grown past the point where you're relying on the herculean efforts of a few.

You're not alone. As I've said before, we all have someone on our legacy team that we've simply outgrown. As much as we hate to admit it, very few team members are going to make it from zero to \$100 million with you. But guess what? That's OK! Some people are *great* at, are built for, and enjoy the startup phase. Some are better at improving what's already there and growing from \$20 to \$100 million. And some are built for companies several hundred million dollars and beyond.

It's important to recognize that not everyone on your team will be able to (or want to) evolve and grow with the company as it grows from a wet-behind-the-ears startup to a Fortune 100 behemoth. And that's OK.

Exposing Mike

Sometimes it's hard to recognize—or admit—that you have a Mike. I know. I've been in your shoes, and I've worked with hundreds of entrepreneurs who have as well.

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This is especially hard because Mike has been there for you over the years, managing all of those back-office functions that are absolutely necessary but make you crazy just thinking of them. Thank God for Mike. He's bought himself some well-deserved grace for what he's meant to you.

As the company grows, you're willing to overlook some red flags, turn a blind eye to deficiencies, and make excuses: "Mike's exhausted. Why isn't his team able to step up and help him?" or "Mike's working his tail off, but the financials are late again, and they're wrong again." or "We need a workaround, so we don't have to wait on Mike."

If you've ever said anything like this about one of your "key" employees—that's probably your Mike. And if you're not sure, I included some simple but effective questions at the end of this chapter and in Intermission I on page 81 to help you figure it out.

Yesterday's hero is today's liability. The "superhero" method doesn't work long-term. Leveraging his heroic efforts used to work, but it simply doesn't scale. I realize this is tough. You wouldn't be where you are without him, but you can't get where you need to with him doing everything—especially when those things aren't done well!

The Opportunity Lost

Look, it's not that Mike couldn't eventually figure things out, but having Mike in the wrong seat will slow you down and you'll learn a lot of lessons the hard way. Simply put, you'll better amplify your growth with the right people in the right seats. Allow me to illustrate the difference by sharing two stories about a homegrown entrepreneurial superstar (and good friend of mine).

Hard knocks: Kraig was a classic bootstrapping entrepreneur. He founded Kraig's Kombucha in college with his grandfather's recipe and a \$10,000 loan. He brewed kombucha in his parents' kitchen for the first two years of existence and sold bottles out of the back of his Volkswagen van at music festivals and parks across Texas.

As a bootstrapper like many of you, he did things the old-fashioned way: rolling up his sleeves, working 100 hours a week, hiring cousins, neighbors, friends of friends, and doing whatever it took to survive. Not only did he survive, but over the next eleven years, his business grew to \$15 million in annual revenue. Solid growth, but boy, was it a slog!

He attracted a private equity partner who invested some growth capital and assessed his team. They quickly saw gaps on Kraig's team, including the finance function. They helped him transition his "Mike" to an indi-

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vidual contributor role in accounting, where he was well-suited. They then brought on a finance leader and a head of operations who had successfully navigated explosive growth for similar beverage companies, and they were on their way. Kraig's growth was exponential, and within a few years, the company was acquired by a strategic buyer for \$183 million. Quite a success story!

Version 2.0: Fast-forward a few years and Kraig was at it again. He leveraged his beverage experience and founded a tequila company around the same time I co-founded HireBetter. On a Young Presidents Organization (YPO) trip, I shared with him my rationale behind HireBetter and how I wanted to be a Strategic Talent Partner versus a “traditional” recruiting firm. He said, “Kurt, I get it. I’ve seen the light. I’ve seen what happens when you hire people who’ve done it before to replace the start-up generalists. This time I want to do that much earlier than last time. I want to buy their experiences, I want to buy their Rolodexes.”

So he did. With SoCo Tequila, we helped him upgrade his operations “Mike” early on, and Kraig outsourced his finance and accounting function until it made sense to hire an A-player CFO on a full-time basis. Throughout the organization, Kraig

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repeatedly hired next-level talent ahead of the curve, and even replaced himself as CEO in year two.

The results were electric. SoCo Tequila grew rapidly—reaching that same \$15 million mark in just three years. A prime example of how bringing in experienced next-level talent can help entrepreneurial companies amplify their growth—reaching their goals faster and with fewer lessons learned the hard way. SoCo made a powerful case study after three years, but it gets better. Just eighteen months later, the company was sold to a strategic buyer for a whopping \$450 million!

I love this story because it not only highlights the importance of identifying your own Mikes and hiring next-level talent, but it's also a great example of the opportunities lost when you struggle with a team full of Mikes!

A Real-Life Mike

My friend Kate is the CEO of a B2B software and services firm in Texas. The company was growing very rapidly and was around \$5 million in software-as-a-service (SaaS) revenue when she hired her first true accountant, Michelle. Michelle was a godsend for Kate during the next five years. She managed the company's cash with an iron fist, personally overseeing every single purchase. And she was meticulous with every line item in the financial statements.

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In addition, she took on almost every administrative duty in the company. She managed the office lease, ordered furniture, negotiated with the electric company, and probably even took out the trash. She acted as HR manager, selected the payroll provider, oversaw the health insurance renewal process, managed payroll, and approved vacation requests. She pretty much managed everything for the back office so Kate wouldn't have to!

But the company started experiencing significant growing pains as it approached \$25 million in annual revenue. Michelle's title was now CFO, and she controlled the purse strings. Everything that required money ran through her, which wasn't necessarily a good thing. The iron fist I mentioned earlier had become a death grip—because she was a CHEAPSKATE! A few examples:

- She wouldn't let the team compensate new hires for more than the bottom quartile, based on salary surveys for similar positions in Texas. As a result, they weren't able to attract the best and brightest talent and had significant turnover.
- She refused to let the team (including Kate, the CEO!) hire any administrative support. Her explanation? "They can do their own administrative work—I do my own!" Which likely stifled growth because many game-changers are administratively challenged (including me).
- Due to the high cost of color ink cartridges

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in the company's color printers, she mandated that all color copies needed to be pre-approved by her! WTF? Here we have a sales team selling multiyear, multimillion-dollar deals and they're afraid to present proposals to their prospective clients in color, for fear of angering Michelle! Are you kidding me?

As a first time CEO, Kate didn't really recognize the issue at first. She knew something was off, but she couldn't put her finger on it . . . until she heard me tell my "Who's Your Mike?" story at a Vistage leadership event. Then it clicked for her. It wasn't that Michelle was tired or needed time off—and it was no longer acceptable to simply say, "Don't worry about it, that's just Michelle. I'll go talk to her." Kate finally realized she had a full-blown Mike situation on her hands.

Drop the Mike?

Once you realize that you have a Mike, the next logical question is, "What the hell should I do?" There's obviously a paradox at the center of all this: Having Mike on your team in the early days is great. He helped get your company where it is today. But you'll eventually need next-level leaders with experience and expertise to get you where you want to go. This is a normal part of your entrepreneurial journey.

If you've promoted Mike to a key role that he simply can't handle, something HAS to change. You're going

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to have to have some challenging conversations and you may have to make some difficult decisions. But there's not one right answer. Every situation is different. In some cases, Mike may be willing to take a step back and admit this isn't working, or maybe he volunteers to leave for a leadership role with a smaller company. In some cases, Mike may be coachable and can either stay in his existing role and grow into it, or take a lesser role and acquiesce to a more experienced leader while he hopes to grow into a future leader (whether for your company or for a future employer).

Unfortunately, sometimes Mike simply doesn't have a role going forward. He may be super important to you personally but has become a liability professionally. In the worst-case scenario, you lose your friend and former go-to guy because you just can't reconcile the needs of the business with the complicated emotions and egos at play. No one said this would be easy.

Again, Mike doesn't necessarily have to go. In fact, in many cases, Mike can be moved into an individual contributor role and leverage his work ethic and history with the company. With Mike, like most of the characters we'll discuss here, how you handle the situation often depends on their personalities, your relationship with them, and the work that needs to get done.

In Intermission I, beginning on page 81, you'll find some tips on how to identify whether you have a Mike (or another outgrown legacy employee) on your team. For now, here are a few possible scenarios and suggestions for dealing with Mike.

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Choose your own Mike adventure:

- » **Mike's an A-hole.** Sorry to be the bearer of bad news, but this variety of ego-driven Mike isn't going to be comfortable taking a less prominent role. He's gotten used to being chief-of-something officer, and he's not going to give up that clout easily. Intentionally or not, he'll drive a wedge between the new leader you bring in and the rest of your team. This one may seem obvious, but it isn't always; entrepreneurs are usually an optimistic bunch, and you could miss Mike's dark side. He may show you the conciliatory, respectful friend side and only your team feels the wrath of his passive-aggressive side. We're often the last to know!

- » **Mike is super talented but doesn't have strong leadership skills.** Consider asking him to move into an individual contributor role. I've seen this handled effectively many times—if Mike is humble. The best approach is candor and authenticity. Share that you believe he has an important spot on the team, but you need to identify an experienced leader who can scale the company. You're

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growing too fast to have him learn on the job. Consider offering him some coaching to help him develop over time—perhaps for his next gig.

- » **Maybe Mike just needs a helping hand.** Rather than blow up your team, bring in a coach or mentor to help Mike grow into the role gradually. I've seen it work before. This option works best if you have other seasoned leaders on the team to fill any leadership void resulting from Mike's inexperience and time spent learning. As always, the best results start with open and honest communication. Tell him that you believe in him and want him (and the company) to be successful. Then make sure he has the tools and resources to do so.

The bottom line is that when you realize you have a Mike on your team, you're going to have to take action. Mike's in over his head, but you aren't—at least not yet. Trust me, you don't have to sink with your legacy team!

This is hard work. No one promised it wouldn't be. But if you really think about it, deep down in your heart, you're probably thinking about someone (or someones?) on your team right now. They're probably very well-intentioned and been there for you in the past. But unfortunately, they're holding you and the company back.

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I like to change the perspective, partially because all this emotional stuff sucks and it's hard to make a strategic decision when you're not thinking straight. But I like to shift the conversation from a "what do we do with Mike?" to "what if we had a superstar instead of Mike?" Imagine that you have someone in that role who has been where you want to go; someone who has previously doubled or tripled a company like yours; someone who has experience negotiating multimillion-dollar deals or scaling up operations or integrating two acquisitions.

Take names out of the boxes and remove emotions for a minute. Forget about Mike, or Michelle, or Mikayla, or whoever it is. What if you could replace a low performer with someone who has the skills, expertise, and culture fit to move the company forward faster?

I don't necessarily mind learning lessons the hard way, at times. That's actually how I learn best. But it's pretty damn amazing to have someone on your team who has been through the battles, who has already learned those lessons, and has the scars to prove it. I want to leverage those lessons learned and get there faster, stronger, more efficiently. There's no reason why we need to learn all of these lessons the hard way. This entrepreneurial stuff is tough enough already!

Challenging? Yes, but a necessary part of the process if you want to professionalize your team, scale your business, and take it to the legendary next level. As my mom used to say, "If it were easy, everybody would do it."