

The Insider's Guide to Creating a Business that Runs Without You

By Ruth Schwartz



The best way to create a business that runs without you is to create a transparent, open-book company— a company poised for success because employees are contributing partners in the business and are rewarded by compensation attached to the profitability of the company. Employees involved in decision making and problem solving at every stage and in any matter that affects them are people who feel valued and appreciated for their contribution.

Creating a business that runs without you means changing our present mindset from the old paradigm: manage, delegate, and motivate to the new paradigm: lead, align, and communicate, and focusing on Leadership, Communication Systems, High Performance Alignment, and Running and Open-Book Business. Changing your behavior may make people think you are weird. Initially, they may not trust you or the change, but as you continue to practice new behaviors, you will feel better and slowly you will start to see others respond positively to your changes. Your employees will become engaged. They will weigh in and buy in. They will not just meet goals, they will surpass them. People will thrive.

Leadership. People don't want to be managed. They want to be led by someone who has a clear and compelling vision, the power to communicate the vision, and the ability to rally people behind the vision. While we can tell the difference between management and leadership when we see it, the truth is, most of us don't know how to make the shift from manager to leader within ourselves. There are six traits common to good leaders. Taking the time to cultivate them is a necessary first step in creating a business that runs without you.

- Leaders have a driving passion to realize their vision.
- Leaders are egoless.
- Leaders build and maintain relationships of trust.
- Leaders unleash the motivation and commitment of their followers.
- Leaders are social and organizational designers.

- Leaders act from positive beliefs about people and situations.

Communication Systems. A leader's job is to communicate clearly and often their clear and compelling mission and vision so that everyone around them knows it well. Part of communication is providing employees with the information they need to meet their goals. For some reason, business owners often think they have to protect their proprietary information from everyone. Anything from account lists to catalogues to financial information is deemed so secret that no one gets access. While there are a few situations for hiding information (usually legal), generally everyone in the company should have information about sales and marketing objectives and status, quality issues and budgets, customers, competition, market share, cost of goods and of course the mission, vision and value proposition. As a leader, freely offer information, but remember to also ask members of your team what they need to know and then find a way to supply it.

High Performance Alignment. This is where every person within an organization is a contributing partner in the business. High performance teams are self-managing, multifunctional groups of people organized around a whole process and empowered with full responsibility for their success. They have:

- A shared mission that motivates and inspires.
- Autonomy and authority for task performance.
- Interdependence and shared leadership.
- Broadly defined jobs and many responsibilities.
- Meaningful participation in decision making.

As a result, they have a vested interest in the company and participate fully in setting goals, making decisions and solving problems. When this happens, people are inspired to go beyond compliance to commitment. They are running the business as if they owned it, whether you are there or not.

Running an Open-Book Business. Employees, for the most part, only care enough about the profits of the company to maintain their jobs. If the rich owners want to get richer, employees react by protecting themselves as workers. In the 21st century work world, this attitude must change. Business works at the speed of a nanosecond. Customers have millions of choices at their fingertips. Young workers are demanding flexibility. Labor unions are big business. The only way to run a business and survive is to open the books and each employees what it is to be in business. Everyone in the company should understand expenses, payroll, and margins. When this happens everyone in the company is speaking the same language and working towards a common vision.

Ruth Schwartz started Mordam Records in 1983. By the time Nirvana hit the pop charts and Green Day went platinum, Schwartz was running a ten million-dollar company. In 2012 Schwartz chronicles her success in *The Key to the Golden Handcuffs – Stop Being a Slave to Your Business*. Published by Outskirts Press, and based on Schwartz' business experience, the book gives entrepreneurs and business executives insight into shifts that can be made to create a transparent, open-book company. Today, Schwartz is an internationally certified business coach, motivational speaker, and the facilitator of business peer advisory boards. She owns High Performance Advocates, a management development and marketing company. Contact Ruth through www.highperformanceadvocates.com or by calling 530-288-0180.