



terri norvell
EMBRACE YOUR INNER PRIZE

BUSINESS GROWTH FORMULA SPECIAL REPORT

STAGE FIVE: INTEGRATION
58 – 95 EMPLOYEES

CULTIVATE COLLABORATION
FROM THE TOP DOWN

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CONGRATULATIONS. YOU'VE PROGRESSED TO A STAGE 5 COMPANY.

During Stage 1 (Startup), you developed a business model that works. In Stage 2 (Ramp Up), you ramped up your sales, production/capacity and staff using your proven business model. During Stage 3 (Delegation), you transformed your business from CEO-centric to Enterprise-centric to allow the business to grow larger. In Stage 4 (Professional), you became more focused on the operational aspects of your company, overseeing a team of executives who transitioned the company into a professionally run organization. Now in Stage 5, it is time for you integrate the organization so it begins to operate as single unit, not as a number of independent departments.

This Special Report is based on our proprietary highly efficient 7 Stages of Growth business model, developed by James Fischer. Fischer created the 7 Stages of Growth business model based on extensive research of entrepreneurial companies. His research demonstrates that as companies add more people, the complexity level of the organization increases. It contains critical information that will help you:

- Predict how growth will impact you.
- Adapt your leadership skills, knowledge and insights to your specific stage of growth.
- Focus on the right things at the right time.

Because each business and its team are unique, this Special Report may contain some information that does not apply to you and your business, but most of it will. We hope you find the takeaways helpful.

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WHAT YOU ARE PROBABLY EXPERIENCING AS A STAGE 5 COMPANY:

As a Stage 5 business in the Integration phase, you are likely experiencing a number of the following. If you are not, it may be an indication that the company has not yet matured into a Stage 5 business.

AREA	DESCRIPTION
Employees	You have 58 to 95 employees.
CEO/Founder	You find yourself having to manage people and systems, with less and less time spent as a Specialist. You continue to evolve into a “macro executive” (managing executives) versus the “micro manager” (managing the entire team).
Team	You have 4 to 5 executives and 11 to 16 managers. You are probably experiencing the loss of some good employees and the challenge of managing the cost of lost expertise.
Departments	You have trained and/or hired qualified managers and their departments are operating on solid ground.
Financial	Revenues are growing as well as payroll.
Climate	As the business continues to grow, you have reached a level of complexity that requires significant change. You and your team know that change is needed and will be challenging. We call it a Wind Tunnel.
Systems	Your professional managers continue to challenge and update routines and systems that worked previously.
Focus	You’re trying to keep your arms around the business while letting go of more responsibilities while getting the departments to work as a single unit.

You enter Stage 5 in a Wind Tunnel where the level of complexity creates staff confusion. This will occur as you begin to move the company from a departmental focus to a company-wide focus. It is a transition that will initially confuse your staff because you previously wanted them to build strong departments and now their leadership skills and management skills have to continually evolve.

On the market front, you are no longer invisible to the outside world. Your competition knows who you are and is beginning attempts to steal your market share. It’s a whole new ballgame. You must continue to improve in all facets to successfully navigate your growth curve.

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YOUR PRIMARY GOAL:

As a Stage 5 company, your primary goal is to integrate and unify your senior executives into a collaborative, company-focused team. When entering Stage 5, your management team was most likely focused on their own departments, rather than the company as a whole. Now it's time to broaden their focus from singular (their own department goals) to dual (their department goals and the company goals). As you promote teamwork, they will begin to work together, which will allow them to take the business to a whole new level. This will also prepare you for Stage 6.

STRATEGIC & LEADERSHIP PERSPECTIVE

With 58-95 employees, the challenges of integrating the culture, mission and values become real. Integrating your team of managers becomes a full time job for the leader in Stage 5. The challenge of staying ahead of your problems requires a leader who is capable of getting buy-in from those managers and committing to the goals of the organization. You will find it easier to get that commitment because you have built a team that is based on trust and respect. The focus for your company has to be on improving sales, improving staff training and recognizing the reality of losing good people and with that loss, the cost of losing critical knowledge and expertise.

Help your team see the importance of the company's vision in order to operate as a solid core team. Remind the organization not only about what it does or how it does it, but more importantly why you do what you do. The sign of successful leadership at this level is bringing in smart, capable managers who can take that vision and convert it to action. By this time, you should have a well-oiled HR department that handles all the work that comes with breaching that magical number of 50 employees. Strategic excellence in Stage 5 can be summed up as, "having the right people with the right attitude."

You are no longer a small company. You are a complex environment that requires constant vigilance to maintain the original DNA that makes your company great. Maintain a dedicated focus to ensure that what made you great when you were smaller isn't lost in the challenges that come with growth. A good mantra for fast growing, hard-charging companies is "be big but act small."

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YOUR BIGGEST CHALLENGES & MOST IMPORTANT ACTIVITIES:

As you move into Stage 5, your biggest challenges likely include at least three of the following. We have provided several actions you should consider to overcome the challenges.

CHALLENGE	ACTIVITIES TO MEET THE CHALLENGE
Improving sales	<ul style="list-style-type: none">• Challenge your assumptions regarding your sales components. Set out to re-learn the customer need/problem, your solutions, value proposition, positioning, marketing messaging, sales system, competition, your performance, etc.• Explore how to leverage your current customer base and current product/service with other sub-markets.• Dialogue with customers and solidify existing relationships.
Difficulty forecasting problems before they occur	<ul style="list-style-type: none">• Re-examine how you prepare your profit plan to determine if the process can be improved to produce better forecasts.• Re-examine your KPI's to determine if there are different metrics that would raise yellow flags before problems arise.• Develop a company intelligence system to acquire company intelligence regarding problems, opportunities, etc.
Cost of lost expertise	<ul style="list-style-type: none">• Document each system. Investigate existing software to document employee intellectual property.• Insure that documentation includes descriptions of all expertise needed to effectively and efficiently work the system.• Encourage employee expertise development (in-house mentoring, outside education, rewards, reimbursement of costs, etc.).
Improving profit design	<ul style="list-style-type: none">• Develop a sophisticated profit plan system with projected revenues and expenses by department. Each department should provide input and manage to their respective budgets.• Challenge each department to find ways to reduce expenses. Make it a team effort.• Upgrade (or develop) your customer intelligence plan and process.
Staff training	<ul style="list-style-type: none">• Refine your employee plan system to insure that it includes training/development needed for each employee.• Using all the employee plans, create a master people development plan and budget.• Include employee development (measured by process on employee plans) as a KPI for each manager.

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During Stage 5, you want to broaden the focus of your managers utilizing their knowledge and processes to promote the broader company goals. If you were able to create solid and confident teams in Stage 4, they will now be allowed to play in a much larger competitive arena successfully.

TOOLS YOU SHOULD BE USING TO BUILD YOUR BUSINESS:

As the CEO/Founder, you should be using the following leadership tools to lead the team.

LEADERSHIP COMPONENT	DESCRIPTION
Leadership Modality	<ul style="list-style-type: none">• Facilitative. This piloting oriented style is best capsulated by, “Let’s head in that direction. How can you help us get there? How can I help you take us there?”
Roles	<ul style="list-style-type: none">• Manager (managing people): 60% of your time.• Technician/Specialist (doing the stuff): 30% of your time.• Visionary (creating, revising, casting): 10% of your time.
Leadership competencies	<ul style="list-style-type: none">• Transparency• Organizational awareness• Influence• Conflict management• Teamwork & collaboration
Builder / Protector ratio	2 to 1: Your professional executives allow you to be more aggressive in growing business volume. But, you must stay vigilant or your competitors will take advantage.

There are subtle differences now that you have breached the 50+ employee level. Teamwork and collaboration are crucial as you lead your team into the future. Thus, your leadership modality should be Facilitative and Managing 60% of the time. Lead by showing that you value people’s input and get buy-in through participation and influence, not by dictating. You spent the time and energy to build a great team; look to them for guidance and advice in their areas of expertise.

While managing this dynamic organization is your number one priority, you should begin shifting toward a more Visionary role (30% of your time). Your managers are running the day-to-day operations, and you can focus on new opportunities. Your Specialist role is diminished to a nearly insignificant level (10% of your time), but you must continue to understand how well your product or service is meeting the needs of the ever-changing market and constantly evaluate if your products and services are solving customer problems.

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The Builder/Protector Ratio (BPR) is a measurement of Confidence vs. Caution. It is a critical tool to help assess the business' ability to accept change, respond with confidence to change and successfully navigate the change. Builders thrive on risk, are always looking for new opportunities and do not cower to the overwhelming issues that confront them every day. On the other hand, Protectors thrive on caution. They prefer to apply the brakes (and should be encouraged to do so when appropriate).

For Stage 5, the Builder/Protector Ratio is 2:1 – 2 Builders to 1 Protector. Because you have experienced managers who have built strong departments, the Builder mindset is twice the Protector mindset. This allows you to place more emphasis on expansion. However, there still needs to be some caution to avoid overconfidence or carelessness, which could give your competitors an opening to attack.

FIVE NON-NEGOTIABLE RULES FOR STAGE 5:

There are five non-negotiable rules for each stage of growth. The effective completion/implementation of these five rules increases the likelihood for continued survival and financial success.

AREA	NON-NEGOTIABLE RULE
Management	Integrate your management team into an inter-dependent, execution-focused leadership unit.
Business model	Overhaul your business model. Challenge every previous assumption. Your business model should address the following: (1) value proposition; (2) target customer/channel; (3) product/service features and pricing; (4) revenue streams; (5) marketing and sales strategy; (6) operations strategy; (7) profitability and (8) cash flow.
Profit plan	Develop a fully integrated one-year living profit plan (budget), broken down by revenue group and department.
Business plan	Develop a one-year operational business plan detailing how you will accomplish the profit plan.
Staff training	Allocate 3% of gross revenues to staff training.

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BUILDING BLOCKS THAT YOUR BUSINESS SHOULD HAVE OR BE CREATING:

Each growth stage has foundational building blocks that must be created and set in place to be prepared for the next stage.

FUNCTION	BUILDING BLOCK
Management system	You should have a performance management system that address objectives, outcomes, goals, measurement, feedback, evaluation, and rewards. You should also have a project management system and templates.
Financial system	Your financial system should include a profit plan, financial modeling, cash flow forecast and dashboard.
Team / staff	Your hiring system should help you identify the skills that are needed and then help you find, recruit, select and hire great employees. You should have a plan for each employee describing expectations, performance measurements and actions that will be taken to help him/her succeed.
Marketing / sales	You should have a well-defined sales and marketing system that your sales people are using. Its time for a major upgrade of the sales system and probably your CRM system. You should have a customer intelligence system to stay abreast of your customers and the market.
Support	In-house or outsourced COO, CFO, and HR professionals.

Processes are critical when a company has outgrown the CEO's ability to keep his or her fingers in all aspects of the company.

If you don't establish these foundational building blocks during Stage 5 (or the building blocks required in prior Stages), it will make navigating through Stage 6 (and subsequent Stages) much more difficult. In fact, if you do not establish them in Stage 5, your growing pains (difficulties and challenges) will continue to increase until you scream "Uncle!" – and take the time to establish them. So, get these in place now and you will avoid the delays and headaches associated with trying build on an inadequate foundation.

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GETTING READY FOR STAGE 6:

You will move into Stage 6 (Strategic) when you reach 96 employees. The transition from Stage 5 to Stage 6 usually involves a Flood Zone – an increase in the quantity of activity. Your key to success will be how ready you are to help the organization add a strategic focus.

Terri Norvell is a certified Business Growth Formula specialist who can help companies just like yours navigate the challenges that are typical for a Stage 1 organization. We have designed programs, services and tools that are directly tied to the issues faced by Stage 1 leaders.

Visit our website at terrinnorvell.com/bgf for additional resources.

Stages of Growth X-Ray™: A facilitated workshop with a CEO and his/her management team that gets to the root cause of critical issues in order to create alignment, engagement, and create action plans that get implemented.

Terri Norvell is affiliated with Laurie Taylor, the author of the Stages of Growth X-Ray™ program and a series of How To books on each of the 7 Stages of Growth. Each book unlocks the challenges you face in each stage of growth and provides solutions to addressing those challenges. You'll also learn how to identify the 'hidden agents' that may be creating obstacles to growth and how to find the root cause to immediately improve alignment, engagement and implementation. You can order Laurie's books on Amazon.com as they become available.

- Survive and Thrive: How to Unlock Profits in a Startup with 1 – 10 Employees
- Sales Ramp Up: How to Kick Start Performance and Adapt to Chaos with 11 – 19 Employees
- The Art of Delegation: How to Effectively Let Go to Grow with 20 – 34 Employees
- Managing the Managers: How to Accelerate Growth Through People and Processes with 35 – 57 Employees
- Leadership Integration: How to Cultivate Collaboration from the Top Down with 58 – 95 Employees
- Strategic Alignment: How to Uncover the Rules of Engagement with 96 – 160 Employees
- Visionary Leadership: How to Recapture the Entrepreneurial Spirit with 161 – 500 Employees



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YOUR BUSINESS GROWTH FORMULA EXPERT

MEET TERRI NORVELL

With more than 25 years experience in up-and-down market cycles, Terri Norvell excels at helping leaders thrive with change and create bottom-line impact. She's brilliant at getting people out of their own way so that they can achieve their desired results.

A renowned keynote speaker, trainer, consultant, and coach, she has worked with small businesses, organizations, associations, and corporations (among them, Stanford University, Molson-Coors Brewing, and Comcast). Terri is sought out for her energy, positive attitude, and ability to get people to change, quickly and permanently. From the executive office to the front line, teams learn to focus on what's working and align to turn challenges into opportunities.

Terri uses science-backed research, including NLP (neurolinguistic programming), DiSC behavioral and motivation tools, kinesiology, applied neuroscience, emotional intelligence, and quantum learning to unlock a new mindset that leads people to a life of clarity, confidence, freedom, and joy.

As a certified Business Growth Formula Specialist, Terri takes the mystery out of why challenges have occurred, continue to occur and most importantly how to stop them in moving forward. You'll leave the program with new perspectives on clarity, focus, alignment, communication, and trust and research-proven tools to predict how growth will impact your company.