

Transitioning from Fortune 100 to Profit 100

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Would you feel comfortable building a plane while flying it? Transitioning from a large company to a small-to-medium enterprise (SME) may seem like an easy opportunity to bring in your expertise and innovation. However, executives quickly discover that their new working environment is much different than they expected.

It's been said many times before that large organizations are where the entrepreneurial spirit goes to die. Whether you buy into that or not, it's understandable that, after so many years of red tape and rigid processes, many senior executives consider making the shift to a small-to-medium enterprise (SME). Not only do mid-market companies contribute greatly to the Canadian economy and its people (accounting for [54% of business sector GDP](#) and [91% of job creation](#) while employing [90% of private sector employees](#)) they're often looking for great business minds to help them solve their unique—and pressing—innovation and growth challenges.

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The ability to make a significant impact in a growing company is a powerful draw—so powerful, in fact, that many executives are caught off-guard when, after making the switch, they realize their new mid-market job isn't quite the role they envisioned. While a SME may offer a unique opportunity to showcase your expertise, foster innovation and drive meaningful change, it also introduces a whole new set of challenges. How you fare in overcoming these challenges depends on your ability to anticipate them and your commitment to addressing them.

Don't confuse David for Goliath

Armed with significant corporate experience, it may be tempting to jump into a SME headfirst—launching big ideas and improvements right out of the gate. This could be a mistake. To truly transform a smaller organization into an exponentially better one, you first need to understand it—and that starts by familiarizing yourself with the people, processes and systems of your new ecosystem.

In doing so, you'll likely discover that your new working environment is quite different from your last, in a number of ways:

1. You have to do more with less. Unlike larger organizations, which are equipped with internal resources, established departments and clearly-defined roles, mid-market businesses often consist of fewer people wearing multiple hats.

Recognizing this, you'll need to acquaint yourself with the actual skills and competencies of everyone on your team, not just what their job titles may reflect. Only after you understand who your people are, along with their motivations, can you effectively maximize your resources. As an example, if your team is young and eager to learn new skills, you may want to assign your receptionist with the responsibility of 'cold calling' new prospects—or ask your accounts receivables clerk to conduct some preliminary analytics. The key is to take advantage of your newfound flexibility and leverage the skill sets at your disposal in whatever way you can to make your people grow and shine.

2. You need to learn how to build a plane while flying it. To reach the next level, mid-market companies require scalable processes and structures. Depending on the stage of the life cycle at which you enter, these tools could very well still be in the development phase. So, unlike larger organizations that typically have processes and policies in place to guide how work is done, in smaller organizations it's the responsibility of the executive team to design and implement them. As a result, many find themselves working both *on* and *in* the business at the same time.

In our experience, this can be a great opportunity to develop your talent. A strong leader—who acts as both player and coach—can help long-standing team members learn new ways of doing things. We see executives, who can step in and *show* how the work needs to be done, turn teams around far more quickly than those who want to quarterback from behind their desk. However, this takes a certain kind of executive and it's a topic worth considering before making the leap into the mid-market.

3. It's more than a one-person job. Given that you are now doing more with less—and potentially creating new policies and processes on top of all your other day-to-day tasks—it will quickly become clear that this new role can't be filled by one person alone. To succeed, and effectively keep your head above water, you will have to find allies wherever you can.

Building an effective ecosystem of external suppliers and partners is essential for many mid-market executives—but doing so isn't always easy when you're coming from a larger organization where such skill sets are usually found in-house. Essentially, you want to research the marketplace to determine what types of support services are available, find the best potential collaborators for your needs and select those that are the right fit for your organization. While not every consultant or advisor will fall into this category, those with the right skill sets, industry experience and empathy can make a tremendous difference.

4. Freedom comes at a cost. While a mid-market organization will inevitably possess less red tape than a larger one, and more opportunities to flex your entrepreneurial muscle, this newfound freedom comes at a cost. To stay on course, and ultimately implement ambitious ideas that will surge the business forward, you need to realize that—while you may be able to do anything—you can't do everything. In this regard, you may find that a well-run smaller business isn't necessarily a perfectly-run business. Choosing where to invest in making improvements first is a critical factor. Success is often built on making incremental changes, seeing how they go and adjusting your path accordingly—an approach that only works if you're comfortable with failing forward. Not to mention, you'll have to go back later and fix parts of the business that still aren't working perfectly but aren't immediate stumbling blocks in the path to your success.

Enter with your eyes wide open

Acknowledging that your new gig will be significantly different from your last is an important first step in making the transition to a small to mid-sized company—but it's also critical to take the time and determine a well-balanced plan to address the people, processes and systems of your new ecosystem. If you're motivated to help people grow beyond their comfort zones, if you crave the variety that comes with wearing numerous hats, and if you're excited by the challenge of taking an underdeveloped business to the next level—then this could very well be the challenge you've been looking for.

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