

# TOPIC 1: BUILDING YOUR LOCAL LEADERSHIP TEAM AND OTHER KEY PERSONNEL



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**THIS IS THE FIRST OF FOUR ARTICLES AIMED AT EMERGING SOCIAL ENTERPRISES LOOKING TO SCALE FOR IMPACT AND SUSTAINABILITY.**

**IN IT, WE REVIEW THE IMPORTANCE OF AN EARLY FOCUS ON THE DEVELOPMENT OF A LOCAL EXECUTIVE TEAM THAT CAN LEAD THIS TRANSITION.**

**WE WILL ALSO REVIEW THE ROLE OF BOARDS AND FUNDERS IN PRECIPITATING THIS CHANGE, ALONG WITH SOME OF THE KEY STRATEGIC AND TACTICAL DECISIONS THAT NEED TO BE TAKEN.**



# INTRODUCTION

## THE EARLY DEVELOPMENT OF A COMPETENT AND FOCUSED LOCAL LEADERSHIP TEAM IS A SOLID FOUNDATION FOR THE SUCCESS OF ANY ENTERPRISE.

If carefully selected and nurtured, they will not only be capable of driving the enterprise toward its goals, but will also be more cost effective in transitioning from reliance on grant funding.

It is quite often the case that the team implementing the proof of concept (or launch) stage are not best suited to lead the commercialisation and scaling phase. This does not mean that the initial team failed or were poorly chosen. To the contrary, it recognises that the skills required are substantially different, and more difficult, to quickly transition to in a growth environment - a case of **'different horses for different courses'**.

Nor does this mean that the early-stage team are unable to continue to play an important role in the future. Their knowledge and skills can be very valuable indeed, if properly applied to the mission, but perhaps in a different role.

Consequently, core skills, role contribution, transition and succession planning all need to be on the board (or funder's) radar from a very early stage, and addressed in a pre-determined, structured manner.

High performance executives are in high demand and often beyond the financial reach of social enterprises. This means that the leadership development plan should be a key strategic focus for boards and funders from the outset.



**I HAVE LEARNED HOW TO GET THINGS DONE IN A QUICK BUT BENEFICIAL WAY, WHICH IS SOMETHING THAT IS VERY IMPORTANT FOR OUR ENTERPRISE**

**- ANSELME ANDRIAMAHAVITA, MANAGING DIRECTOR, LOOWATT SARL, MADAGASCAR**

# EXECUTIVE ROLES

**Each member of the executive team must adequately perform three critical roles in the business. Each draw upon diverse skills that are usually split across several corporate roles in larger businesses.**

## **1. Functional:**

These represent individual areas of expertise and responsibility, and typically consist of skills in sales/marketing, finance and operations. However, they may also include discrete technical skills, such as IT&T or other specialist, science-based disciplines. The blend and prominence of each discipline will vary depending on the type of enterprise.

## **2. Management:**

This centres around implementing processes and harnessing people and financial resources that deliver the agreed results. Core activities include personnel utilisation, performance setting, monitoring and improvement, and financial (budget) management. In summary, this involves responsibility for ensuring the enterprise stays on track with its purpose and achievement, which requires a combination of individual and team building skills.

## **3. Leadership:**

The difficult to quantify - but much valued ability - which enables executives to bring others with them on a specific journey by building the vision, purpose, pathways, culture and trust that employees, customers, partners and investors alike buy into and wish to be a part of. Effective skills can be built and enhanced in executive teams over time, and it is critical that this be recognised and embedded in the organisation's development plan from the outset.



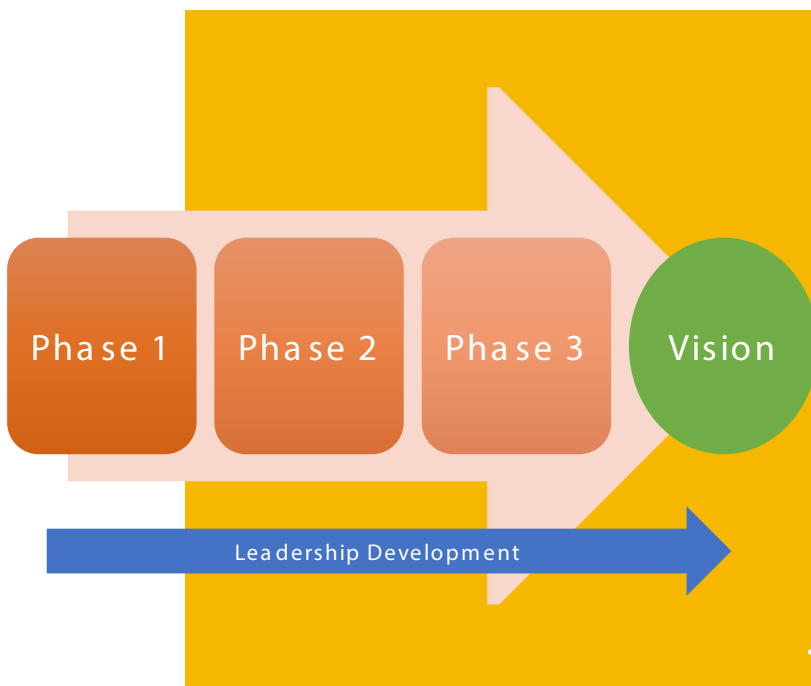
Combining these diverse skills (and often competing functions) into a cohesive, dynamic and effective leadership team is a principal challenge for the board - one that can be amplified by the available local talent pool, or its affordability. It is likely that aspects of all three of these skill sets will need to be developed in the local leadership team.

A key question that needs to be addressed and regularly reviewed by the board therefore is, at what stage of development do decisions about the leadership team become critical to the continuing success of the enterprise?

# EXECUTIVE DEVELOPMENT

**EXECUTIVE TEAM DEVELOPMENT AND MANAGERIAL TRANSITION IS A TRICKY, YET ESSENTIAL, PHASE OF SCALING A BUSINESS. IF NOT HANDLED WELL IT CAN EASILY DELAY (OR DERAIL) THE DEVELOPMENT OF THE ENTERPRISE AND ADVERSELY AFFECT ITS MARKET IMPACT.**

So, let us start with the understanding that there is seldom a silver bullet solution to this conundrum; what is required is a commitment from the organisation's board to of an initial executive development programme for a minimum of 12-18 months. Funders can help with this focus by explicitly requesting teams they work with to outline development areas and supporting them to work on these with expertise and funding.



In the following 3 articles of this series, I cover three essential business management disciplines that I often find missing in leadership teams and overlooked as a priority by boards, to the detriment of the enterprise's mission:

1. I discuss how to set clear business priorities and activities using the Master Plan tool I have developed working with social enterprises.
2. I outline the process of completing business process mapping and business process improvement to streamline the operations of an enterprise.
3. I detail how to complete skills gap analysis and some principles for managing poor performance and for recruiting to fill these gaps.

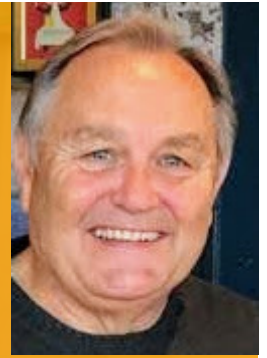


### Note about the author:

With over 35 years of C level experience, Peter has been responsible for leading performance transformation across a wide range of small to medium sized commercial enterprises, primarily in the IT&T and services sectors.

Since 2016 he has focused his attention on sustainability in the WASH sector: first developing a suitable business model and local management team at Clean Team Ghana - then an NGO owned home container base sanitation (CBS) service in Ghana's second city Kumasi - and subsequently helping successfully adapt the model to other home sanitation businesses in Peru, Haiti, Rwanda, Madagascar and most recently, the Philippines.

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