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Guest Voices: Small businesses and 'Tweeners'

A client asked me last week, "Do you think that companies have a size at which they are particularly difficult to manage?"

Great question, and I think the answer is probably "yes."

In the beginning, the solo entrepreneur (you) has a single employee ... you. The good news is that solitary employee is one of the best that you will ever encounter — driven, willing to work endless hours without overtime, tenacious, problem-solving and totally dedicated to your company.

Once the company grows large enough for across-the-board redundancy, it typically becomes much easier to operate. You have managers who supervise others in their daily tasks. You hire new employees, who are trained by others. Eventually, others do the hiring as well.

The problem is in between. There is a "no man's land" that many, if not most, small businesses never cross. Each employee occupies a unique place in the organization, and is difficult to replace. We'll call these companies "Tweeners."

When you only have a few employees, you teach each one his or her job personally. They have regular contact with you on a daily or hourly basis, making their employment one long, continuous training session. Mistakes are quickly corrected, and new situations are addressed so that the employee can absorb the logic and approach of your problem-solving process.

In the Tweener company, you have too many employees for you to interact with each on an ongoing basis, but too few to duplicate all of your key skills in their multiple brains. There is no organizational memory, other than yours, to fill in the gaps created by natural turnover. You have to neglect your daily responsibilities to fill the void, and personally train new person on at least the basics of the job.

Many small business owners attempt to control this by preventing turnover. That's slow and certain death. Over time, it leads to a company where key employees are overpaid (because they get regular increases to keep them 'happy') and under qualified. Getting a high-performing manager becomes merely a matter of luck.

Other owners respond to the Tweener dilemma by undertraining. You may look at a new employee and say "I'm not sure this one is a keeper. I'll minimize my time with him until I'm sure."

The approach leads you onto a slippery slope. Undertrained or underqualified employees gradually increase the burden of decision making on you. They are the chief reason so many small business owners become permanent firefighters.

How do you prevent becoming a Tweener organization, or fix it if you are one already?

The most common (and correct) answer is to document your knowledge in a way that others can access quickly and easily. Policies and procedures, job descriptions, checklists, forms, tutorials and FAQ's are all excellent methodologies, and are usually all too neglected in small companies.

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