

## **technology tg@work**

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### **Wanted: Part-time CEO**

**Young technology firms must leverage seasoned interim executives**

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*Front Lines is a guest viewpoint section offering perspectives on current issues and events from people working on the front lines of Canada's technology industry.*

The CEO of a young technology company faces all of the standard challenges of any business: lack of time, cash flow and responsibility overload.

Compounding these problems, the technology CEO is in the world's fastest changing industry. She must be constantly driving her organization to innovate and redesign or they will face obsolescence in months. It is likely that throughout the start-up phase, the organization was unstructured and, out of necessity, the CEO wore several hats (sales, accounting, marketing) to get the job done. However, the transition to the next level of organization will require introducing structure and executive delegation.

Key functions such as development, sales, marketing, finance, IT and post-sales support each require specific focus and execution. The CEO should only set overall objectives and establish resource requirements for these areas. The specific vision and execution for each functional area should be delegated to experienced executives. Once the CEO, herself, gets bogged down in these functional areas, the organization is working inefficiently. The prudent CEO will build the experienced management team that her organization needs.

Once her management team is in place, the CEO must focus on setting and communicating the vision and leading that management team. If the CEO lacks focus so will the organization. In the technology industry, this will lead to stagnation and rapid deterioration. However, if she lacks the budget to build that management team, how can she shed the extraneous responsibilities?

Some organizations turn to consultants, but the results are generally mixed. Consultants are sometimes effective at identifying problem areas and prescribing a course of action, but the real benefits come through execution. Hiring expensive consultants for execution is generally cost prohibitive.

One answer is to use interim executives. The volume of work may not require a full time director of marketing or CFO however the nature of the work may require executive-level expertise. Hiring a seasoned professional with related sector experience, as a part time or interim executive may be the best solution to help grow the organization to a level when a full time executive becomes appropriate and cost-justified. The organization gets the highest level of expertise but only pays for the amount of time that is necessary.

For example, a director of HR one day a week or a COO three days a week for six months can provide the transitional management required to set the company on the right path. Necessary structures and processes get established quickly. Existing management stay focused on their priorities, be they revenue generation, servicing customers, research and development or raising funds, to name a few.

Another side benefit of hiring a seasoned interim is that the organization is getting an experienced advisor. The life of a technology CEO can be lonely. While a board of directors or advisory board provides much needed support on driving the business forward, any mentoring or coaching tends to be reactive and based on a view from outside. Aside from doing the defined job, the interim gets to observe the organization from within and can often provide valuable insight and advice to the CEO. Whether struggling with issues around deployment methodology, service agreements, pricing models or new markets expansion, an executive who has 'experienced it all' can bring proven solutions to the table and offer clarity on priorities and challenges. Additionally, they usually have an extensive network of other experienced professionals that can assist and advise in a wide variety of areas.

This addresses one of the most challenging and sometimes costly aspects of the business: recruitment. To mitigate cost and maximize results, many companies today source some of their best talent through networking. The interim executive provides a extensive grapevine from years in the industry. Whether contract or permanent, hiring proven talent with unguarded references often ensures the best fit.

Often, a wise start-up CEO, who is willing to do some soul searching, realizes she is not the best person to be the long term CEO. In starting up the company, she wore that hat, but as the organization grows it might be best for her to return to her core competency (i.e. development or sales) and hire an interim CEO or COO to build the company for the future.

Young technology companies often try to do too much on their own and do not realize the advantage of leveraging the substantial talent pool that is available through contract executives. The companies that do recognize the value of interims are better positioned to succeed in the fast growth and competition of the technology industry.

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