

FUTALEUFU MUSINGS

SEARCH FUND INVESTING. OLD SCHOOL.

Creating Versus Doing

This [FedEx commercial](#) from 2003 still makes us laugh.

At the same time, it raises the question that is on the minds of just about every search fund CEO and MBA in those first few years:

“What does a CEO actually do?”



It's a fair question, given that you're finding your way across the transition from being an individual performer to running an organization. With the suddenness of a wire transfer, you become a CEO. Dozens of employees now report to you. Adding to the challenge, you don't have a day-to-day boss or role model to offer direction and guidance on making your transition.

In this FTF Musing we want to highlight the distinction between being a “creator” and a “doer.”

Search fund acquisitions are small businesses, generally run as lifestyle organizations. They lack systems and processes for scaling, and you've no doubt found operational areas that are broken or in need of modernization.

The answer is not to dive in and do it yourself – that is not scalable.

Instead, think of yourself as a “creator” who will eventually hand back the work to a “doer.”

To do so, you'll need to get into the details for a limited time to collect experience and data, which will then inform you on how best to create systems and processes that can subsequently be delegated back to your team.

Then you move to the next area of your business that needs attention, once again creating a set of policies and procedures, and afterward delegating the “doing” to someone on your team.

Imagine your sales structure is inadequate. Odds are overwhelming you don't have someone you can call into your office and say: “Fix our sales department!” And you running the sales function indefinitely is not scalable...not if you want to meet the growth ambitions you have for your company.

Instead, after understanding the work, you create and design a sales process that does not depend on you. This means you'll get deeply involved in the details for a finite period of time (going on sales calls, shadowing your sales team as they process orders, etc.). With this information, you'll then design the compensation plan, create the hiring scorecard, identify the

organizational structure, position the product or service, and identify the “doer” who will run the sales department that you designed.

As a CEO of a small business, you are the creator but not the doer. This means your outlook is focused on learning as much as you can, as quickly as you can, then designing the process and organization that you can step away from.

Just one mindset that illustrates the difference between an individual performer and the leader of a company.

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