



CHAPTER 11

BALANCING ON THE EDGE OF **STRATEGIC VISION** AND **GROWTH TRAJECTORY**

Key insights

1. The phenomenon of the working 'in' your business rather than 'on' it trap.
2. Set a direction for digital transformation and create a future-ready technology capability to enable balancing strategic leadership and operational excellence.
3. Find a rhythm for zooming in and out from the operational details to look at the big picture.
4. Empower more members of the team to work 'on' the business by participating in strategy and idea generating sessions.
5. Consider splitting strategic and operational roles to play to each leader's strength.
6. Let systems run the business and your operations could run hands-free.
7. Step back and see your business from different perspectives.
8. Prevent fires rather than waste time fighting them.
9. A triage approach can help CEOs prioritise which challenges to tackle, ignore or delegate.
10. CEOs should focus on recruiting and developing a team they can trust, so they can feel comfortable letting go.
11. CEOs can often benefit from getting counsel from experts outside the business.
12. For a business to reach its full potential, it needs both visionary strategy and exceptional tactics.



References

- 1 [The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It](#), Michael Gerber, April 12, 1995.
- 2 [Corporate Governance Divide Is Biggest Threat To Innovation](#), ITWeb, February 25, 2022.
- 3 [Jack Welch's Passing Leaves A Management Legacy That Still Resonates](#), Forbes, March 3, 2020.
- 4 [EasyEquities Is Focused On Getting To One-Million Accounts](#), MoneyWeb, November 12, 2021.
- 5 [Democratising Investing | Fintech Re-defined](#), Tribe Business Magazine, March 2, 2022.

Working on your business - not just in it

*Finding the right balance between
planning and execution, and
between strategy and operations*

At Tarsus, our business is subject to the vagaries of many forces beyond our direct control. Exchange rate fluctuations. Supply chain disruptions. The fuel price. Crime. And more besides. As such, we empathise with small and medium business (SMBs) owners and leaders who get so ensnared in operational matters that they struggle to find time to be strategic.

Michael Gerber, author of *The E-Myth Revisited*, calls this **phenomenon working 'in' your business rather than 'on' it—and it's a trap that it's all too easy to fall into**. In the chaos of business in the age of digital transformation and pandemic, there are always fires to fight, deals to close before the end of the quarter and compliance deadlines to meet.

But when a business's owners or leaders always operate in this mode, they can lose sight of the big picture. The result might be that they fail to see a major emerging revenue opportunity or get blindsided by a new competitive threat. At best, the business will not reach its true potential because its leaders don't map out a strategy for growth and continuous improvement.

We've offered some ideas in other chapters of this book about how organisations can **set a direction for digital transformation and create a future-ready technology capability**. But the technology is just an enabler. What matters most is **how a business balances strategic leadership and operational excellence**.

Here are a few concepts that have helped us to work on our business—not just in it:

Find a rhythm for big picture thinking

Running an SMB can easily become all about the hustle for a hands-on owner or leader. But it is essential to make time to **zoom out from the operational details to look at the big picture**. It can be helpful to carve out calendar time for regular strategy sessions—that means more than once a year or quarter. Another tip might be to zoom out when certain operational red flags come up, like the loss of a deal the SMB should have closed, or when it hits revenue or customer milestones.

Make working ‘on’ the business part of more people’s job

Senior leadership often imagines that it should take complete ownership of strategic planning in a business. However, **empowering other members of the team to propose ideas and participate in strategy sessions** is a great way to foster innovation and engagement. It also means that the SMB CEO will be spending more human hours and brainpower working on the business.

Consider splitting strategic and operational roles

Some leaders are **better at operations or implementation and some are better at strategic planning**. If the SMB’s management team is big enough, it might make sense to choose one or two members of the executive committee to own strategy and planning. That will allow other leaders to keep their eyes on the operational ball.

Let systems **run the business**

Throughout this book, we have suggested ways that SMBs can drive efficiency by automating business processes. Another reason to do so is that it frees up time and capacity to focus on strategy and innovation. Automation also allows for consistent execution. **When a business takes automation to high enough levels, many elements of its operations will run hands-free**—so CEOs don't need to spend as much time worrying about operational minutiae.

“Organise around business functions, not people. Build systems within each business function. Let systems run the business and people run the systems. People come and go but the systems remain constant.” - Michael Gerber, author of The E-Myth Revisited¹

See the business from **different perspectives**

SMB CEOs can often benefit from **stepping back and asking how an investor or a customer might perceive the business and their role in it**. Would an external shareholder really want the leader of a business to spend hours nit-picking over the colours of a logo or micromanaging the sales team? Or would they want the CEO spending more time developing a bold vision for expanding the business?



Don't fight fires—prevent them

Many SMB CEOs spend a lot of time fighting fires. Sometimes these fires can't be avoided, for example, new COVID-19 restrictions or a sudden and unexpected increase in input costs. **But many other flames keep flaring up because of poor planning;** other fires are harmless showers of sparks that could be safely ignored.

Fire prevention can help a business clear more time and space for strategy. This could take the form of a three-step process of determining why the fire broke out; determining the root causes; and setting out steps to either stop a recurrence of the same fire or to make it easier to control. For example, an SMB can tighten project management to ensure that not every RFP becomes a last-minute fire drill.

Develop a triage protocol

In the medical world triage is how doctors determine which patients should be treated first when there aren't enough resources or time to attend to them all quickly. For an SMB that might face multiple tactical and strategic challenges at the same time, **a triage approach can help CEOs to prioritise which to attend to themselves, which to ignore and which to delegate.** They can sort competing priorities into categories: such as urgent and important (dealing with a SARS audit); urgent but not important (a small customer with an unreasonable complaint); and important but not urgent (strategic planning for the year to come).

Let go of micromanagement

Especially when they're the owner or founder of a company, SMB CEOs like to have their fingerprints on everything in the business. However, as the business grows, it becomes increasingly difficult to be everywhere at once and to do everything perfectly within the 24 hours of the day. Plus, as a business gets bigger, it becomes more important to work with specialists in fields such as finance, human resources, marketing and technology to get the best results. **CEOs should focus on recruiting and developing a team they can trust, so they can feel comfortable letting go.**

Nearly four out of five local organisations were forced to accelerate their adoption of digital technologies during the pandemic - but any innovative idea or digital strategy introduced has had to compete with 'business of today' priorities. - Frost & Sullivan research²

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Tap into professional advice

It's not unusual for SMBs to develop tunnel vision because they are so focused on their own operations and customers. **CEOs can often benefit from getting counsel from experts outside the business**, whether they are technology resellers, accountants and labour law professionals. Given the complexity of the business world and the speed of change, only a specialist can keep on top of the latest developments and best practices—and their strategic advice can be invaluable.

“Strategy is simply resource allocation. When you strip away all the noise, that’s what it comes down to. Strategy means making clear cut choices about how to compete. You cannot be everything to everybody, no matter what the size of your business or how deep its pockets.” - Jack Welch³

To wrap up

A management consulting maxim states: “Tactical leadership is doing things right. Strategic leadership is doing the right things.” **For a business to reach its full potential, it needs both visionary strategy and exceptional tactics.** There aren’t many businesses out there that consistently do the right things and do them consistently well—so those that strike the right balance have a distinct advantage.



Case Study

EasyEquities, the fintech investment platform and flagship of JSE listed Purple Group, highlights how a mixture of operational excellence and strategic vision can set a company on a trajectory for growth. Founded in 2014 with the goal of making investing in equities more accessible, the company today has around 740,000 funded accounts and is well on track to reach its goal of 1 million active users.

One of the keys to its success lies in its sense of purpose, tangible in nearly everything the company does. In a country where relatively high account minimums and brokerage fees made trading in shares inaccessible to most, EasyEquities focuses on making it cheap and easy to invest. Its fees are among the lowest in the market at around 64c per R100.

Explaining the business model in an interview, Purple Group CEO Charles Savage said: “Right from the start we decided if we were going to democratise owning shares, and if we were going to call this business EasyEquities, then we had to be sure we were going to eliminate all the difficult aspects of share ownership.”

The company has sharpened this customer focus to a precise edge, reflected in its customer acquisition cost of less than R60, among the lowest in the industry. Another mark of its success in democratising investment is that 95% of its customers are first time investors. Partnerships with the likes of Sanlam and Capitec are driving further growth.

In addition to its tight focus on operations, EasyEquities has shown a willingness to invest in the future and innovate. It pioneered the idea of ‘fractional’ share ownership, for instance, allowing South African investors who can’t afford a full Amazon or Naspers share to buy a part of a share. It’s an idea that has demolished one of the big barriers to participating in the stock market.

All the while, Purple Group is investing in its businesses of the future, which include Easy Properties, which fractionalises property ownership, and EasyCrypto, a cryptocurrency trading platform that hit its first 100,000 users in half the time it took EasyEquities to get there. With a pipeline of up to 10 products it is considering for launch, the group isn’t resting on its laurels.

Democratising equities investment

Expert Perspective

Make that strategic choice before the world makes it for you

- Do we make choices and in so doing reimagine tomorrow? Or do we reimagine what we want tomorrow to be, and then make choices that will get us there? It feels as though the past two and a half years has forced us to make choices first. This has meant that the reimagined future has often been an unintentional one, an unplanned and often unimagined outcome.
- The thing about choices is that they will be made, for you or by you. If choices happen to you the outcome is not of your design or necessarily what you wanted it to be. If choices are going to be made, with or without your input, surely an intentional choice would be a far better way to have some degree of control over the outcome?
- Part of making choices is understanding that almost everything that you or an organisation does is a choice, in some way or other. Even if it often feels like a choice is forced upon you, you can often choose something else. So, if we are surrounded by choices every day, what are we doing today to look at the tomorrow, or future, that we want? Have we lost the sense of urgency that drove us make rapid changes? Is that because a sense of security has returned due to recovering revenues? If so, we are heading straight back into the space where our choices will once again be made for us.
- Shall we make choices as though the devil was at our heels and we had no choice in which path to take? Or should we think about what we want from tomorrow, and make a choice that leads us there, moving with the speed of someone who is being chased by the devil. Either way, the choices will be made and you're involved intentionally, or unintentionally.

- Gavin Moffat, co-founder at Hers&His, speaker, author, common sense seeker