

Lori Thicke



The founder's dilemma

Recently I came to the inescapable conclusion that the translation company I had started in my twenties needed somewhat more than I could give. OK, I admit it: it needed a lot more. The time had come for me to step aside.

This, though painful, was the natural order of things. Notwithstanding notable exceptions like Steve Jobs and Bill Gates, there comes a time when most founders have to step aside to let a professional management team take over their "baby." The entrepreneurial skills that are so essential to launching a venture — creativity, vision, optimism, energy, enthusiasm — are not necessarily the skills needed to shepherd a growing concern to the next level.

In the *Harvard Business Review*, Noam Wasserman calls this the founder's dilemma. Do we maintain control of our baby, even if that means shackling our companies to our particular blend of skills — skills more adapted to founding a venture than growing it? Or do we cede control to professional managers who are likely to transform our baby into an unrecognizable adult?

Does the dilemma become easier if I tell you that the *Harvard Business Review* article goes on to say that "entrepreneurs who maintain control over their own companies tend to make only as much as they could have if they had been employees"?

Not that letting go of control is easy. Even though I know it's the right thing to do, like any founder, I'm fighting every step of the way. I started Lexcelera two months after I arrived in Paris, fresh out of graduate school in Canada.

I'd started my first business at 11, selling Christmas trees in Northern Ontario (akin to selling coal in Newcastle). Little did I know then, or for many years later, that starting a business in your "tweens" is considered one of the signature traits of entrepreneurs. I used to think I was more of an individual until my company translated some Ernst & Young research on the entrepreneurial personality. Apparently we are all cut from the same cloth.

For one thing, entrepreneurs have to be optimists, if only to persevere against those well-meaning friends and family members who say it can't be done. Not that the naysayers

don't have reason on their side: they usually do, including the ones who raised their eyebrows at me, imagining I could start a company in a foreign country where I barely spoke the language — and hadn't exactly sorted out those visa formalities. But that's a story for another day. This story is about the dilemma founders face: hold on tight to a smaller entity, or lose control and see it grow?

Without the entrepreneurial spirit, of course, there'd be no companies. The founder sees the opportunity and how to respond to it, creating a company culture that reflects his or her style, preferences and personality. I realized how much Lexcelera reflects my personality as not long ago I gazed across a sea of desks papered with the evidence of extreme multitasking.

But as our babies grow, broader skills are needed — for example, to create formal processes and develop and oversee specialized roles. In other words, no more multitasking.

Nonetheless, most founders want to stay in charge, even if those who give up more equity in exchange for investors and new hires tend to end up with more valuable firms. In February of this year I decided to make the leap. I took on an industry veteran, John Papaioannou, as the CEO of both Lexcelera and our North American subsidiary, LexWorks. I stepped (down) into the role of marketing and innovation. John has already handed my performance goals to me.

I know John will make us a better company. But at the same time, he's going to make us a different company. Speaking as a founder, that transition is not going to be an easy one, even if I understand intellectually that the skills that have brought us this far aren't the same ones we need to go that next big step further. I suppose that is the essence of the founder's dilemma. **M**

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