



ELLEN COOPERPERSON'S
CORPORATE PERFORMANCE CONSULTANTS

People • Productivity • Profit

NEXT STAGE BUSINESS GROWTH



WHAT GOT YOU HERE WON'T GET YOU THERE



Where is Your Company in the Nine Stages of the Corporate Life Cycle?



Courtship: Would-be founders focus on ideas and future possibilities, making and talking about ambitious plans. Courtship ends and infancy begins when the founders assume risk.

Infancy: The founders' attention shifts from ideas and possibilities to results. The need to make sales drives this action-oriented, opportunity-driven stage. Nobody pays much attention to paperwork, controls, systems, or procedures. Founders work 16-hour days, six to seven days a week, trying to do everything by themselves.

Go-Go: This is a rapid-growth stage. Sales are still king. The founders believe they can do no wrong. Because they see everything as an opportunity, the over confidence leaves their businesses vulnerable to costly mistakes. Companies are organized around people rather than functions; capable employees can--and do--wear many hats, but the founders continue to make every decision.

Adolescence: During this stage, companies take a new form. What is going on is that companies at this stage are attempting to be reborn apart from their founders. While recognizing the need for more professional management, founders are not prepared to give up on old habits. Operations managers must be given more authority if the organization is to continue to grow. Crises involves top management's reluctance to delegate authority. An attitude of us (the old-timers) versus them (new management) hampers operations. There are so many internal conflicts, people have little time left to serve customers. This phase is more painful and may be prolonged longer than any other stage in the process.

Peak Success: A successful transition from Adolescence to the Peak Success stage is a critical goal for every company at that level. If a company does not make the transition, it runs the risk of being overwhelmed by the chaos and disorganization and ultimately dying. At Peak Success, with a renewed clarity of vision, companies establish an even balance between control and flexibility. Everything comes together. Disciplined yet innovative, companies consistently meet their customers' needs. To maintain growth, new business areas often sprout up within the organization, and they are decentralized to provide new life-cycle opportunities.

Early Bureaucracy: Companies are still strong, but without the enthusiasm and energy of the earlier stages. New ideas are welcome but with less excitement than during the high growing stages. The financial people begin to impose controls for short-term results in ways that curtail long-term innovation. The emphasis on marketing and research and development wanes.

Aristocracy: Not making waves becomes a way of life. Outward signs of respectability--dress, office decor, and titles--take on enormous importance. Companies acquire businesses rather than incubate start-ups. Their culture emphasizes how things are done over what's being done and why people are doing it. Company leaders rely on the past to carry them into the future.

Bureaucracy: If companies do not die in the previous stage--maybe they are in a regulated environment where the critical factor for success is not how they satisfy customers but whether they are politically an asset or a liability--they become bureaucratic. Procedure manuals thicken, paperwork abounds, and rules and policies choke innovation and creativity. Even customers--forsaken and forgotten--find they need to devise elaborate strategies to get anybody's attention.

Death: This final stage may creep up over several years, or it may arrive suddenly, with one massive blow. Companies crumble when they cannot generate the cash they need; the outflow finally exhausts any inflow