

FROM GREAT ENTREPRENEUR TO GREAT LEADER

Making the personal shift from being the entrepreneur who starts a business to the leader of a larger enterprise

John Mackey, the co-founder of Whole Foods Market, has been recognized as one of the greatest entrepreneurs of our time.

He understands very well how entrepreneurs build great long-lasting organizations. He has done it himself. He says that entrepreneurs must “know thyself,” and learn what is required of them to be the leader of a much larger organization.

He is a man who has created value for thousands of stakeholders, changed what we eat, and influenced millions. Whether you buy from his stores, or agree with his philosophy, his success suggests his views are worth studying.

Mackey is a great believer in the role of entrepreneurs; to create businesses, to create jobs, and to change the world for the better. He wants to see more entrepreneurs—especially more who want to change the world.

“If your strategy has losers, it is a bad strategy.”

He knows that great organizations are built by great leaders. But great entrepreneurs are not necessarily great leaders. So, how can entrepreneurs become great leaders so that their organizations last and thrive?

Mackey attended college. However, he was not awarded a degree because he did not follow a course structure. He simply attended courses that interested him. His first jobs after college were as a dishwasher and summer camp counselor.

Then after a couple of years with a smaller store, he co-founded [Whole Foods Market](#) in 1980. He has said that when he started, he had no idea what

he was doing as a leader. He had no experience running a business.

He didn’t know what he didn’t know.

But he did have a great mentor—his Dad. He was someone who had “been there and done that” and knew, at any particular moment, what was around the corner. Someone to help him avoid big mistakes and handle new situations.

Mackey also had a big advantage, like most entrepreneurs/founders; he was driven by a passion, a clear purpose.

It is this idea of *purpose* that is at the core of his beliefs about how entrepreneurs become great leaders.

FIVE TASKS DEFINING THE IDEAL LEADER

1 TASK ONE

The first task is to **create and maintain a shared purpose**. Why? For Mackey, if there is no purpose, then why does the organization exist? How does it know what strategic decisions to take? And without purpose, what good is it doing in the world?

Many entrepreneurs know how to do this instinctively—but maintaining it is harder. However, if they can, superior [performance is achievable](#).

Therefore, having a shared purpose is a good thing to do financially and strategically.

But the most persuasive reason for having such a compelling purpose is the effect it has on employees. A compelling purpose is proven to be

one of the [top three most motivating reasons](#) for employees to choose to work for an organization. The other two reasons? Doing meaningful work and having a great boss.

A story that is encapsulated by the organization's purpose creates powerful, emotional ties, according to Mackey.

2 TASK TWO

The second task, says Mackey, is to **make the world a better place**. Sounds odd. Isn't the leader responsible to shareholders, growing the business, and making money?

Absolutely, he says. But the leader is also responsible to the customers, the community, the staff. And why would any organization exist NOT to make the world a better place? That is what consumers want. As Mackey says, great leaders should not be satisfied with the status quo. Leadership is about creating change.

3 TASK THREE

Mackey's third task for leaders is to **create workplaces with meaning and high energy**. People crave work that has meaning for them, he says. His experience as a leader bears this out in his own organization. How practical is it though?

As Matt Whiat [said recently](#), "Who actually chooses to be 'supervised'? Who chooses to be 'bossed'?" He and many others, including at River, bring their military experience into the workplace. And that experience supports this world view: pushing decisions down to the lowest level, giving recent graduates huge responsibility to lead others early in their career, and building non-hierarchical cultures.

We know what [Daniel Pink](#) says about autonomy, purpose, and meaning. So, the role of the leader is to allow staff to find that meaningful work, and to make it available. Rather than telling them what to do, let them decide what to do within predefined guard rails.

4 TASK FOUR

The fourth task is to **help people grow**. This is now very much in the mainstream of research on what leadership is and should be. Many would agree that a principal task of a leader is to grow the talent around her. Perhaps where Mackey takes it further is his belief in "bringing love into the organization."

That makes many uncomfortable. Although, he says that the language of business is full of fear; not joy or hope. What's more, business tends to use sporting and military metaphors to explain things (e.g., reduction in force, step up to the plate, etc.). He'd like all that to change. He says leaders need to care deeply about their staff. Like they care deeply about their families.

In fact, he wants to see a smaller gap between who we are when we are with our families, and who we are when we are at work.

5 TASK FIVE

The fifth task, says Mackey, is to **create win/win solutions**. It is a false assumption that business, or organizational, life has to be full of trade-offs. He says, "Don't be satisfied with trade-offs, it is perfectly possible for, say, staff and investors to win at the same time." His experience bears this out, with comparatively high financial returns for Whole Foods investors as well as comparatively high compensation for staff.

"The role of a leader is to serve others."

Starting a business is not difficult. Sustaining it is. Most fail in the first few years. And the skills required to start a business are not quite the same as those needed to lead a larger enterprise.

Mackey does a great job describing what entrepreneurs need to do to grow a successful business—to be a leader.



According to Mackey, as entrepreneurs move along the path to being a great leader, there are four skills to master:



Well-known from [Goleman's](#) research and writing, emotional intelligence is essentially about two things: understanding self and understanding others. For the former, it is spending a lot of time on self-awareness, because you can't understand others if you don't know who you are. The latter is about empathy, which is not giving a response to others or offering advice to them; it is about feeling what they feel, and letting them see it.



Academia, the military, and business has been measuring IQ for 80 years. It is how we teach kids in schools. It is vital. Leaders need to be able to think critically, compare and contrast, and to break things down through analysis. But it should not be the only thing to measure; the other three need to be measured too.



This is spiritual intelligence. The ideal leader needs to make the right decisions and be courageous. This is being ethical beyond reproach. But being spiritual is also about being compassionate, caring deeply, and having a higher purpose for the business. Philosophically, it is about pursuing "the good, the true, the beautiful."



This is about thinking systemically. It is about seeing interdependencies, and is converse to IQ.

The River Group was formed by clients for clients. The founders met over 15 years ago as CEO client and consultant. Over the years, we have worked on many successful transformations together.

This track record of success and fruitful collaboration led us to form The River Group as specialist leadership advisors.

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consulting firm. We combine years of experience leading change ourselves or advising others on leading change.

We have the behavioral know-how of consultants and the focus and pragmatism of the CEO.

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