

THE C-SUITE

with Ian Ortega

Founder CEOs vs manager CEOs

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In the course of my life, I have noticed two types of CEOs – founder CEOs and manager CEOs. Founder CEOs are those who built the business from scratch and grew it amidst all the challenges. They exercise lots of agency, and they have learnt to passionately love this game of builders. Even when they cede this title to someone else, they continue to be the engine that runs the business.

Manager CEOs are those who were not around to build the business. They could have grown from the lower ranks, but their ability lies in being able to manage that which has been built. They can achieve incremental, or even multiplier results, but not necessarily step-change results.

If they find a revenue of $10m, they could grow it through increments or apply multiplier to that revenue. But rarely will they be the person who imagines the new direction of this business.

The best example of a Founder CEO is Steve Jobs at Apple, or the late Mulwana and Mukwano. The equivalent of Manager CEOs is Tim Cook at Apple and every other CEO who takes over when the Founder CEO has stepped aside.

Gift or curse of founder CEOs

Founder CEOs tend to develop a sixth sense of business over time. They come to embody the kind of decision-making that business schools struggle to embed in their students. Founder CEOs have an intuition, an automatic on and off switch, that recognizes opportunity and moves fast, and also smells risk from miles away.

You could argue that some of this intuition is as a result of all the failures, threats and traumas they have encountered in the course of doing business.

Now new tricks

After 20 or 30 years of being in the business jungle, they know that there is never a new trick, just new contexts. They do not need a rigorous process to make the best hire; they can just smell the right hire. You will wonder, why they hired a particular person, only to realise years later when a particular moment shows up, and that specific hire plays the part for which they were hired.

Founder CEOs are also quick on decision making. They have learned the rules, learned where they hold, learned where they break, and have this business sprezzatura where they make everything, they do seem effortless. They are fast-learners, they see how a small piece fits in the bigger puzzle. They have meta-cognition. They do not just think, but they also think about thinking. They move fast; they jump just before the bridge breaks. And they have systems that are embodied in their personality.

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They know it all

The Founder CEO imagines the future, sees it, and prepares to take everyone there long before they know they are ready for it. That is why they will venture in new industries, new product categories, make hard capex decisions, retire what makes sense no more. Sometimes, they lose their tempers because they think everyone would just get it. Only for them to remember that most of the people they have hired did not go through the same furnace. Conditions that make a Founder CEO cannot be replicated. Everything that appears obvious to a Founder CEO comes off as complex to the Manager CEO, who probably needs endless presentations, sensitivity tests before they will ever decide.

But this gift of the Founder CEO is also often their curse. Why? Because it is almost impossible to clone them. Thus, when their energy begins to wane or when they take their foot off the break on issues, they often get stuck. Although they produce momentum, they also produce inertia. The business they built becomes overly dependent on this single magnificent personality.

Does the manager CEO salvage the situation?

Manager CEOs as their title goes, can only manage, rarely do they build. Thus, the role of a Manager CEO is not to try and become a Founder CEO, but to be a stabiliser, to concretise the success of a Founder CEO. To protect the gains. And these gains they protect by starting to build systems or codifying some of the Founder CEO behaviours.

They can learn the ways of the Founder CEO and convert it into a playbook for the organisation. It is to learn to ask questions the same way the Founder CEO would have asked those questions. But to also realise that they will fall short in many ways if they try to be another close of the Founder CEO, they do not have the conditions to make them one.

Whereas Founder CEOs will make good product managers, have a feel for what a good product looks like, Manager CEOs must hire the right product managers to play this role. Founder CEOs are A-talent while Manager CEOs must learn to hire and manage A-talent.

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