

***For the context of this article the position and term CEO was use.
Note that this could be replaced by any position in any industry.*

The startup world is fast and furious, with the failure rate far higher than the success rate. There are many reasons that startups fail, from spending money too quickly to hiring too fast. With regards to hires it is important that every position be selected carefully, especially the CEO position. This role requires close evaluation by the team and an even closer self-evaluation by the individual in the role. Many that want to lead a startup think they have what it takes, but it takes a “special” person to be successful in these roles. The previous track record of the CEO, accolades or their inflated ego will not equate to success as a startup CEO.

Adding value is key. Does the CEO add overall value to the organization, or are they just an individual occupying a title? The measurement of value should be measured by the owners or shareholders with the utmost accountability. Additionally, the CEO should review their own value. Pride and Ego are the two largest contributors to an ineffective CEO’s self-evaluation. Employees in a startup, especially the CEO, should never be terminated based on value. They each should recognize their shortcomings and step down on their own, or ask for guidance. When the CEO is not adding value to the company the rest of the company will pick up on this quickly and it can be damaging to the overall team dynamic and financial health of the company.

Ego often just gets in the way of bowing out gracefully. Even greed may become an issue. Often CEOs are brought into a startup with a contract. The

CEO will often feel they are entitled to the contract regardless of performance and value. This is a horrible situation that always ends badly. These individuals have to be terminated as there is no chance of them stepping down for the betterment of the team.

Outdate knowledge is also sometimes a major contributing factor to the failure of a start up CEO. Again, they think they have a stellar proven track record. This is especially true when they come from larger and more established companies. These flawed CEOs for the startup world remain focused on the nostalgia of the past. In these environments they were surrounded by many to delegate to and generally had larger funds available to work with.

Sometimes the CEO just can't deliver and grow the business. Other times the CEO can't manage the business once it begins to gain traction. Either way, a successful CEO must know when to stay in the driver's seat and when to step aside.

There have been notable CEOs that have stepped down or aside:

- Sam Walton
- Bill Gates
- Steve Eells
- Tim Sullivan

#selfevaluation, #stepdown, #timesup