4 Ways to Avoid Bureaucracy as You Scale

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As your business grows, you will find that everything starts to become complex. What was once a simple task completed by you, is now a labyrinth of steps completed by multiple teams. For many small business owners, this becomes a great challenge. Many business owners start their business with the mindset that they can do it better than existing businesses. This translates to the idea that “if you want it done right, do it yourself.”

While this helps the startup business owner break into the marketplace, it can hinder growth when there isn’t the ability to delegate the work. This is the great paradox of growth. How do you use the benefits of the founder’s mindset without it becoming detrimental? Here are a few ways to avoid bureaucracy

as you scale:

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1. Build the systems

The first step to being able to take advantage of growth opportunities is to learn how to systematize aspects of the business. Going out and selling to a new customer becomes more of a process and less of your own intuition.

You will need to start to create the steps you take as a process that can be taught. Every aspect of the business should be looked at as a system. Every step that is taken should be a repeatable process that allows others to follow.

At first, this will seem futile. Why take the time to create a system for selling? Why not let everyone just wing it and hope for the best? If it has worked this far, it will likely keep working, right? If the business is content with its current level of success, this argument could be made effectively. But if it is growing, the chances of continuing to find employees who exhibit the same abilities and experience with the products and services is very low.

Instead, you will find employees with potential. It is your job to turn that potential into production. The best way to do that is to have a method that works so you can train them on the right steps to take to master the abilities needed.

Systems allow you to bring on others while keeping control of quality. You can then create overlaying systems that monitor the production of the team. Using strategic metrics and key performance indicators, you can identify problems quickly and jump in to correct them. In essence, you create an operating system for the business. Instead of everything relying on you, everything relies on the system. Any business that scales must be able to create these systems. Even with a great founder,

the systems are a requirement for growth.

2. Make your systems flexible

Systems are necessary, but what about those large companies bogged down by bureaucracy? They tend to create rigid systems that were created and enforced but are no longer optimal. A common refrain is that employees take the steps they take, “because it has always been this way.”

Instead of a fresh look at a situation, they rely on outdated methods. There is too much red tape to be flexible. This creates a stale culture with finger-pointing and scapegoating instead of innovation and risk-taking.

When I was earning my MBA, one of my professors would tell us, “A strength overdone becomes a weakness.” This is what happens when the structure created from systems gets overdone. It becomes rigid. While it may help you get out of startup mode, it hinders growth and will deteriorate the essence of the company.

Instead of rigid systems, opt for flexible systems. There’s a plethora of methods for creating flexible systems, and these will allow the systems to flex when needed. Instead of a rigid step-by-step procedure, create one that has decision trees to allow modification based on the situation. It is still a system. It still provides control – but it doesn’t hold the business back when agility is required.

Instead of one structure for every similar situation, create modular systems that can be custom-built to best match the problem with an ideal solution. Then the pieces can be used interchangeably to create a unique outcome each time.

To understand modular systems, think about building a house. The designer isn’t making a toilet or bathtub from scratch. They are using pre-existing formats but interchanging them to

create something unique. Your business can have the building blocks available but customize them as needed.

If you think about the customization going on in the world, you will see many examples of flexible systems. Responsive websites tailor the experience based on the device you are using. Streaming services provide suggestions based on your viewing history. When you log in, the suggestions displayed are different than when your neighbor logs in.

Flexible systems can be challenging because they are an advanced systemization technique. But it is worth the effort. Sometimes you can just incorporate a flexible process, such as using Agile Project Management or a continuous improvement model. But if you need to build a flexible system, make sure to take the time to think about it creatively, and make sure customer experience is always top-of-mind.

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3. Use core values to trump a rigid system

One tactic that has been very successful is to create core values in the company that override bureaucracy. This can become the heart of the business that drives it forward as much as the systems in place.

Create a bias to action. When employees see a problem, are they taught to react? This might seem like common sense, but when the culture of the company is too strict or focused on punishment over improvement, employees would rather sit back than propose solutions.

Make sure that sitting back is punished more than jumping in and trying to solve the problem. We want people to try to solve the problem. That might mean that their attempt fails,

but if we want them to be empowered to act, we should encourage risk-taking.

Creating core values to reflect the entrepreneurial mindset over the bureaucratic rule-follower will allow employees to feel empowered to act, even when the system is trying to limit them. What are those core values? Do you prefer that employees always go above and beyond to create a great member experience? This might mean seeing a unique situation that doesn't fit with the current SOP.

Do you want your employees to be hungry to try new things? Do you want employees to hold to the founder's belief that protecting the company's strategic advantage or confidential client list is paramount? Whatever it is, you can use core values to provide an overlaying mindset among staff.

4. Use training and leadership to encourage the entrepreneur mindset among staff

Once you have the right systems in place, flexibility with those systems to adjust as needed and the core values set to provide the right mindset among workers, you need to follow through. This means that the training must include these aspects. From new employee onboarding to management development, these systems and core values must be recognized.

Leadership must exemplify these. If not, you will undermine your efforts. People are smart enough to see the difference between written code and the message between the lines. If you say you want an entrepreneurial mindset, follow through with the actions taken. Promote the employees who match what you want, not just the subject-matter expert. If you want people to follow the systems in place, don't give the office cowboy the corner office and the largest team to manage. There must

be consistency between the steps that leadership takes on a regular basis and the structure being taught to staff. If those are consistent, you can start to create the right environment to grow.

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You have the ability to create a system that is both structured and flexible. You can create an entrepreneurial culture and still scale. In fact, when you do that, you create a world-class company that can rival the top competitors in your field and create a lasting organization to provide value to the marketplace for years to come.

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