

Delegation Versus Abdication



**“BEING SELF-EMPLOYED FEELS LIKE FREEDOM,
UNTIL YOU REALIZE THAT IF YOU TAKE TIME OFF,
YOUR BUSINESS CRUMBLES.”**

DELEGATION **VERSUS** ABDICATION

Delegation is the art of allocating duties and responsibilities to a team - and of measuring and managing the results.

In a [article](#) I discussed the reasons to delegate: Without delegation, we and our businesses are forever limited by our personal capacities to get things done. Without it we are trapped working in, rather than on, our businesses, Without it, we are trading our time for money and can forget the ideas of growing and improving our businesses and of drawing passive income. Without delegation, we remain self-employed owners of high-risk jobs.

The unwillingness - or inability - to delegate is a principle reason that fewer than 5% of the 28.8 million businesses in the United States ever reach \$1 million in sales and fewer than 20% of them have even a single paid employee.

DELEGATION TURNED ABDICATION

Abdication, like delegation, involves allocating duties and responsibilities to a team - but without the measuring and managing part.

Big difference.

Abdication is abandonment of our duties and our responsibilities to our companies, our employees and ourselves.

Derek Sivers, in his book [Anything You Want](#), tells his story which illustrates perfectly the difference between delegation and abdication. Mr. Sivers is a musician who started his company, CD Baby, in the late 1990's to sell his music online. This was in days before easy access to online music, and it wasn't long before other musicians asked him to sell their CDs too. Sales doubled every year for the first six years, ultimately reaching almost \$4 million per month by 2008.

But there was a problem.

Sivers has an inquisitive mind and a keen interest in many subjects. Managing the day to day operations of a multi million company was not among them. He was constantly bombarded by questions from employees, and answering them interfered with his ability to improve the business and to pursue other interests.

He decided to, as he put it, "get myself into the delegation mindset" in order to make himself "unnecessary to the running of my business." As a result, he created and implemented a plan. Any time a question came up, rather than just answer it, he:

1. Gathered all his employees together
2. Answered the question and gave the philosophy behind his answer
3. Made sure everyone understood his thought process,
4. Had one person write it down in a manual, and
5. Let everyone know that in the future, they should decide this without him.

After two months, there were no more questions. His approach had worked so well that he began to work from home and eventually moved out of state to "...make it clear that the running of the business was up to the employees." In the first four years of his absence, CD Baby grew from \$1 million to \$3.8 million in annual sales and from 8 to 85 employees.

Not bad, it would seem.

But there was a problem. Sivers had abdicated his duty to measure and manage the results of delegation.

A lot of little things were going astray, but the final straw was when the employees set up a profit sharing plan and promptly allocated 100% of the profits to themselves.

After an attorney told him about the plan, Sivers cancelled it and immediately became the bad guy. His relationship with employees was permanently damaged, and he never saw them or his offices again.

TRUST BUT VERIFY

Sivers did a whole lot of things right in building CD Baby, including his commitment to delegation and his initial process for implementing it. In the end, however, he abdicated his duty to measure and manage the results and suffered the consequences.

The lesson from the experience is, in his words, to: "Trust but verify. Remember it when delegating. You have to do both."

DELEGATION DONE RIGHT

We are deluding ourselves if we think abdication will bring us the freedom and prosperity we're after. We can't delegate by simply handing off authority and responsibility and instructing our teams to "figure it out." Doing it right is a process that includes:

A VISION STATEMENT

Success begins with a written vision for the business, and the team has to know what it is. Without a vision, individuals are left to act on their own assumptions and presumptions - which likely will lead them toward their own visions (such as voting themselves 100% of the company profits). Our vision statements provide constant

guidance by enabling our team members to answer the question: "Is the action I am about to take moving us toward or away from from the company vision?"

GOALS

Our vision is the big picture we are trying to accomplish, goals are the intermediate milestones that provide feedback along the way.

A CULTURE STATEMENT

Our culture statement sets out clearly company values. It defines what we stand for and, as Brian Tracy says, "what we won't stand for." It sets out our expectations for behavioral standards.

AN ORGANIZATION CHART WITH RESPONSIBILITIES AND PROCESSES

An org chart arranged by functions shows people where they fit in the organization and how their functions affect others. The responsibilities tell them who is expected to do what by when. Processes tell them how to do it.

A COMMITMENT TO CONSTANT HIRING

We have to accumulate a competent team that buys into our vision and culture.

TRAINING

Training teaches processes to team members. It tells them "how we expect things to be done around here."

TEAM ALIGNMENT

Even if we have written visions, goals, culture statements, org charts, and job descriptions, we can't just assume our teams know what they are or understand them to mean what we think they mean.

Team alignment is a formal process of communicating with the team and refining their understanding.

KEY PERFORMANCE INDICATORS (KPIs)

The number one demotivator for employees is unclear expectations. Team members want clarity - they want to know what is expected from them and how they are measured. They want to know how the score is kept, and they want to know the current score. KPIs are the score written in numbers. Keeping score is a never ending process and it is where Sivers fell short at CD Baby.

OBJECTIONS TO DELEGATION

There are a lot of reasons the majority of us are unwilling or unable to delegate. The most common objections are:

1. I don't have **time** to delegate.
2. My team isn't competent.
3. They don't know what I want.
4. I can't trust the team to make the right decisions.
5. People can't do it as well as I can.

All of those things may be true, at present, but if we ever hope to become Siver's (and my) idea of a true business owner, we have to change them. We have to follow the process and invest in our and their futures. We are going to have to work more before we can work less.

I said above that Siver's never saw his employees or his offices again, and he didn't. He eventually donated his company to a charity he founded, which sold it for \$22 million to raise cash to benefit music education. Derek Sivers is a remarkable man and I recommend his book. We can learn a lot from what he did right - and from what he did wrong.

HOW ABOUT YOU?

Can you leave your business for a year? A month? A week? Does the idea of delegating significant responsibility to your team scare you? Does your team know what's expected of them? How do you measure your team's performance?

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com