

EGO IS THE ENEMY- EVEN IN DISTRIBUTION

BY JASON BADER, PRINCIPAL - THE DISTRIBUTION TEAM



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A few years ago, a client shared a book recommendation with me. Ego is the Enemy, by Ryan Holiday. Now this is one of those grandiose titles that immediately makes my eyes roll. Here we have some know-it-all stating the obvious in a 250 page “business” self help book. Let’s just say that the cynic in me was hard at work. Not proud of it, but I am a Gen Xer through and through. Recently, I have been coming up against some challenging situations in my practice regarding struggling family businesses and owners killing themselves to keep the ship afloat. Not every company is living in the post pandemic days of wine and roses. A lot of them are struggling to find themselves and create their identity. Needless to say, the subject of ego has arisen many times and it drove me back to this book recommendation. So, I read it. In all fairness, I didn’t slog through all 256 pages. I am not a masochist. I visited an audio abstract of the book on a service I subscribe to. After reviewing the condensed version, I realized that much of this misalignment I was seeing in these companies was steeped in the curse of ego. How does ego prevent us from building a successful distribution organization? Can entrepreneurs succeed with out a manageable dose of ego?

Over the past few years, I have worked with a few small business owners who have found themselves at a crossroads. Should they pour enormous time and resources into an entity that might be better off sold? Is the juice worth the squeeze? First generation founders would cringe at this notion. Hard work and dedication will always prevail. Businesses only fail when complacency and negligence enter the culture. I’m not sure I agree. The technology arms

race, the changing desires of the workforce and the challenges of global supply may be too great an obstacle to overcome. For many companies, all the elbow grease in the world isn’t going to save them. The trouble is the next generation owners of these entities have been conditioned to believe that putting the company in the hands of another is a failure. In some instances, I have seen owners so overcome with guilt about a possible sale, that they pull out of a deal that would likely save the entity and those who depend on it for their income. That’s not leadership. It’s pure ego.

Over the years, I have been asked many times what a struggling business owner should do. This can be a challenge for me to be brutally honest. This was especially true early in my advisory career. I bought into the notion that there was always something I could do, or say, to bring them out of a tailspin. That was my ego wanting a certain outcome. It wasn’t that my heart was in the wrong place, I truly wanted them to succeed, the failure was my inability to recommend what was really best for the client. In many cases, the best advice I could have given was to clean up the books and get their company on the market. Ego is a fear driven emotion masking itself as strength.

Is it really a failure to sell your family business? Yep, I went there. This is a scary one and I suspect that it resonates with many next generation owners. Come on, let’s be honest. When we see a next generation owner “sell-out” to a private equity firm or other consolidator, don’t we experience some degree of negative thought? Sure, we congratulate our colleague,

but we still whisper behind their back. Maybe it’s jealousy or another defect of character coming out to play. I don’t know, but I can’t deny it. Even though it is the absolute right thing to do for the financial health of the entity, it always comes with a little tarnish. In privately held companies, and this is very true in the distribution arena, we don’t respect the passing of a business. This is ego getting the upper hand on better judgement.

Stop falling in love with the desired outcome. This emotional attachment to one specific outcome makes us blind to potential solutions. When my desired outcome does not come to fruition, no matter how many times I try to pound the square peg into the round hole, I become frustrated and blocked from the creative entrepreneur inside of me. When ego-based thinking takes hold, failure is seen as the worst possible outcome. To the contrary, failure is simply a way to move on to a better path. Therefore, we must be at peace with failure.

Entrepreneurism is all about taking risks. Don’t our greatest learning moments come when we step outside of conventional thought and method? By its very nature, risk invites failure. Think about some of the brilliant ideas you or your company has come up with over the years. Have all of them been winners? I can think of some business directions in my career that failed miserably. At the time, I thought it was the greatest idea ever. And, then I was humbled. Fortunately, I recovered; but it sure stung. I like to tell people that business failures are simply tuition. I must pay my tuition to get an education. Some lessons are more expensive, but they all involve tuition.

Abandon ego's attachment to success. Rather than believing that the desired outcome is the only way that success can be achieved, take time to become a master of the process. Find satisfaction in the effort you place into the process and learn to become a student of your journey. Becoming fixated on the outcome will only lead to disappointment, frustration and resentment. When we become selfish, self-centered and take credit for organizational successes, ego is coming out to play. Falling into it's trap will prevent you from reaching your creative potential. Humility is the antithesis of ego. My favorite definition of humility is the ability to remain teachable. Become a student of your organizational challenges. Study how others overcome these challenges. And remember, it's ok to ask for help. Good luck and know that I am always here to share my experience.

About the Author:

Jason Bader is the principal of The Distribution Team. He is a holistic distribution advisor who is passionate about helping business owners solve challenges, generate wealth and achieve personal goals. He can be found speaking at several industry events throughout the year, providing executive coaching services to private clients and letting his thoughts be known in an industry publication or two. Last year, he launched his first podcast, Distribution Talk. Episodes can be found at www.distributiontalk.com and most podcast applications. He can be reached at (503) 282-2333 or via email at jason@distributionteam.com. You can find additional resources on his website: www.thedistributionteam.com