12 Steps to Entrepreneurial Leadership

A POCKET GUIDE BY JOEL PETERSON
To serve as a leader is the most difficult of all business assignments. The work is messy, largely intangible, and never-ending. Each day brings new problems and new decisions that present ambiguity and shades of gray.

We live in an age of disruption, where fickle consumers, fast-moving markets and unprecedented social change calls for a specific type of leader, what I call an entrepreneurial leader.

Entrepreneurial leaders demonstrate a particular mind-set and an approach to problem-solving. They are change agents. They are intentional, staying true to their vision and agenda rather than only reacting to day-to-day turbulence. Over decades of trial and error, coaching and teaching, alternating between the arena and the academy, I’ve come to recognize the mind-sets, instincts, and maps that differentiate entrepreneurial leaders from other kinds of leaders.

**In this pocket guide, I present you with 12 steps you’ll need to become an entrepreneurial leader.**
Steps 1–4 are all about building trust. Trust is base camp for preparing the entrepreneurial leader’s attempt to lead a team to the summit. Trust animates the mission, is a predicate for recruiting a team, and enhances the interdependencies that deliver results. Without trust, companies can expect to experience political infighting, enterprise-damaging betrayals, and leadership crises. When trust is established, people come together, turnover declines, and once transitory change becomes enduring.

Steps 5–8 will guide you in building a mission. Mission gives meaning, clarity, and priority to collective actions. Mission answers the question, “What would winning look like?” Mission clarity puts everyone on the same page and resolves conflicts. Having the right mission is key to assembling the right team. A compelling mission identifies what the market needs and what stakeholders can bring to your efforts. A team without mission is one without focus, priorities, and deadlines—and one condemned to failure. A team aligned on the same trek is belayed and committed to helping each other—and is already halfway to the summit.

Steps 9–12 are critical in securing a team. Teams succeed and fail together. An entrepreneurial leader empowers team members, reflects credit onto colleagues, and recognizes that business leadership is a team sport—one in which team chemistry matters. Nothing is more important to the entrepreneurial leader than ensuring the right people are on the field in the right positions. This means knowing how to find, recruit, interview, onboard, coach, assign, reassign—and, when necessary, remove those who reduce the team’s likelihood of achieving its mission.
STEP 1: Assess Your Core Values

Identify your core values by making a clear-eyed assessment of where you spend your time, money, and mind share. Then decide if your values are getting in the way of your effectiveness. Take on hard work and service to others without obvious remuneration to better appreciate the plight of others you may be called upon to lead.
STEP 2:
Rewrite Your Operating System

Humans have personal operating systems, just like computers. Recognize that you are capable of developing the operating system you want to have. Realize you will need different operating systems for different tasks and be flexible and patient with yourself as you try on different lenses.
Establish Your Personal Brand

In our professional lives, our reputations are often called our personal brands—meaning what people who know us think and say about us when our name comes up. Choose the five attributes you would like to have associated with your personal brand. Behave in ways that allow others to see these qualities in you.
STEP 4: Protect Your Personal Life

Set boundaries on your work to make room for non-work interests and commitments. Operationalize those commitments, giving them the same priority you give to professional assignments and career rewards. Expect to be “out-of-balance” during certain seasons, but don’t abandon the need to re-prioritize and re-balance your priorities.
STEP 5: Find Meaning

Work hard to articulate a clear purpose, a desired end result, what winning looks like. Differentiate between (1) your values—where you spend your time, money and mind share, (2) your mission—what describes your unique purpose, and (3) your tagline—what your customers will see as your “promise” to them. Extend this notion of mission to everything you do.
STEP 6: Set Goals

Break down your mission into a limited number of goals that can be measured by meaningful, quantified, and time-bound deliverables. Ensure your goals align with your values and with the actions necessary to achieve them. Make sure everyone in your organization can recite its top three goals.
Alignment is the set of forces that get people moving in concert toward an agreed-upon goal, without much direct supervision or micromanagement by superiors. Companies will fail to achieve their missions without alignment and, in contrast, will often succeed almost effortlessly when everyone is on the same page and all behaviors are self-reinforcing.
STEP 8: Craft a Culture

Consider culture a valuable off-balance-sheet asset that—unlike products or delivery systems—cannot easily be copied by competitors. When you think about crafting a culture, consider two things: the type of culture the company would most benefit from having, and the tools you’ll use to drive the culture in that direction. Invest in culture by rewarding those who behave consistently with it and coaching or removing those who violate it.
Hire Great People

The people you hire impact every part of your organization from its values and vision to its ability to innovate, adapt, and survive. Consider the process of writing the job description, sourcing candidates, interviewing them, onboarding new hires, giving assignments and feedback, reassignments, and coaching your most important jobs as an entrepreneurial leader. Hire for values consistency, an ability to work well with others, and specific skills—in that order.
People don’t just listen to what is said. They are also highly attuned to what’s behind actions and behaviors. Develop an effective demeanor using five character traits: likeability, gratitude, happiness, humility and humor.
STEP 11: Help People Improve

In working to make your organization perform well, you should consider coaching a priority. This means finding joy in others’ progress, celebrating it when it occurs, and giving feedback when it falls short. Honest, thoughtful feedback can build trust, strengthen bonds, and generate progress. Finally, consider hiring a coach to help you gain the skills you need, just as if you were an elite athlete.
STEP 12:
Fire With Empathy

Entrepreneurial leaders must become as skilled at firing as they are at hiring. As an entrepreneurial leader, your job is to put the best team on the field at all times. You owe it to those who stay not to burden them with those who should move on. Since removing a teammate is an emotional and difficult passage for all, be gracious, generous, and thoughtful, remembering that you, too, failed to make the situation work.
Anyone can learn to do this. Anyone can develop these skills by following a systematic approach, cultivating the right mind-sets, asking the right questions, and applying the right principles and accumulated wisdom.

The better one learns to follow this framework, the less perilous becomes the journey. It’s the route I hope more people—in corporate life, nonprofit life, and civic and political life—will feel compelled to follow.

VISIT JOELCPETERSON.COM for more advice on entrepreneurship, building a resilient brand, and leaving your legacy.

In Joel’s upcoming book, *Entrepreneurial Leadership: The Art of Launching New Ventures, Inspiring Others, and Running Stuff*, he lays out the path for all to achieve their best, break down barriers, change the status quo, create a legacy, develop a brand, and enjoy a life-altering experience.
ABOUT JOEL

Joel Peterson is the chairman of JetBlue Airways and the founding partner of Peterson Partners, a Salt Lake City-based investment management firm. Joel is on the faculty at the Graduate School of Business at Stanford University and has been since 1992. After three careers, four decades of marriage, and seven kids, in addition to demanding roles as CFO, CEO, chairman, lead director, adjunct professor, founder, author, entrepreneur and investor, Joel is often sought as a mentor and coach by leaders and aspiring leaders.

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