MODULE 1 · SESSION 1

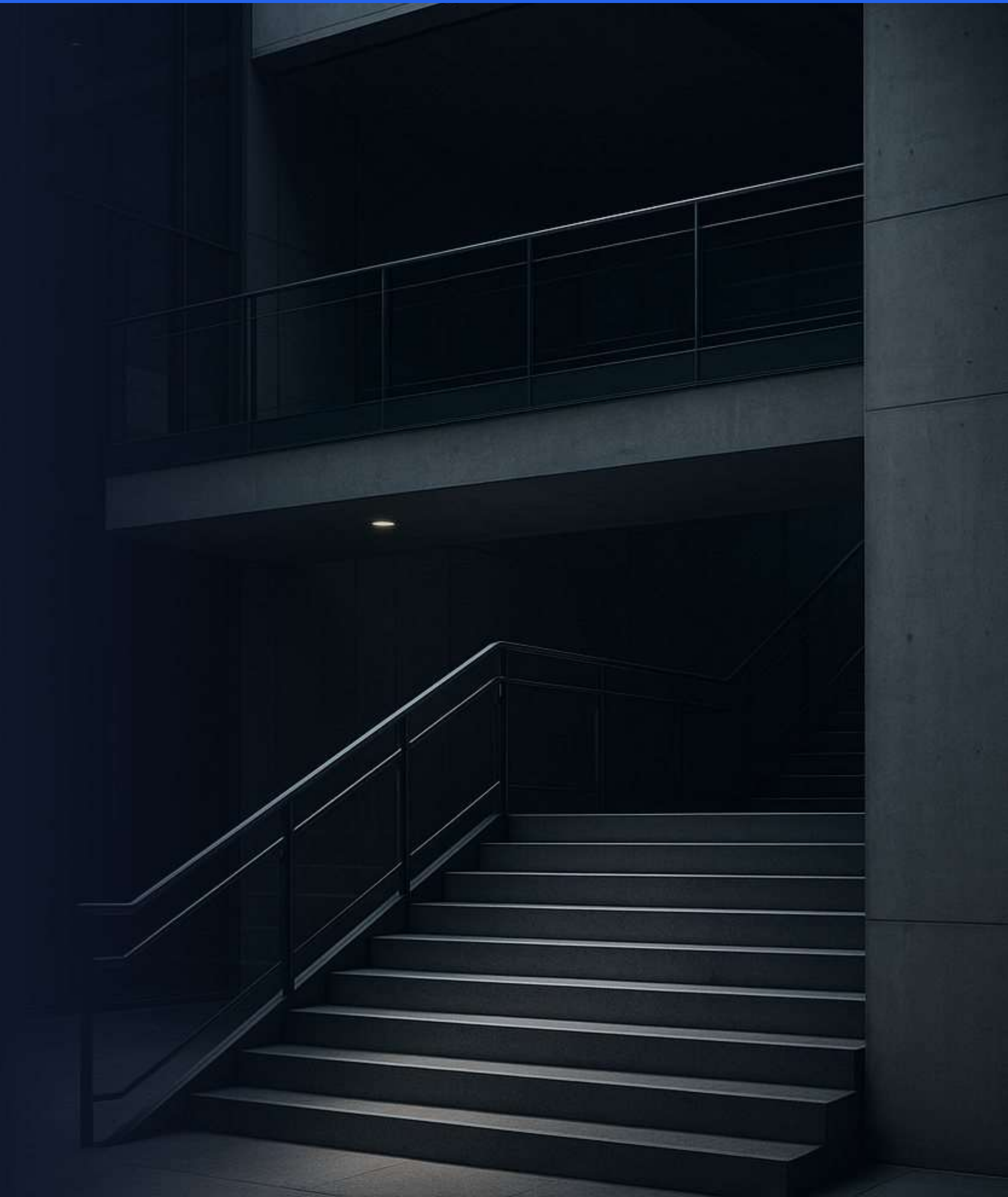
Recasting the Founder's Operating Authority

How to redesign what the founder personally decides, and what the executive team around them must be able to decide without asking.

Theory session

Advanced

Running case: Northstar Forge



ORIENTATION

Where this session sits

Module 1 converts a founder's personal authority into a leadership system

MODULE 1
From Founder to Leadership System

MODULE 2
Culture as an Operating System

MODULE 3
Strategic Continuity Under Pressure

SESSIONS IN THIS MODULE

1.1 **Recasting the Founder's Operating Authority** — YOU ARE HERE
Redesigning the founder's role and the executive team around it

1.2 Selecting Leaders and Distributing Authority
Assessing senior candidates and assigning decision rights

1.3 Making Accountability Visible in Practice
Turning delegated authority into observable commitments

SESSION OUTCOMES

What this session explains

Changing what the founder decides as the company grows

01 **Growth creates predictable crises**

Each stage of expansion is ended by a management problem the previous stage created.

02 **Founder capacity is the early constraint**

What one person can hold in their head becomes the ceiling on the organisation's rate.

03 **The executive team is a design choice**

Composition, not headcount — and it should reflect the next stage, not the last one.

04 **Context is the asset being transferred**

Titles move easily; accumulated operating judgement does not.

Each phase of growth ends in its own crisis

Greiner's model: the solution to one stage becomes the problem of the next

GROWTH BY CREATIVITY

Founders do everything. Ends in a crisis of leadership — nobody is managing.

GROWTH BY DIRECTION

Professional management, centralised. Ends in a crisis of autonomy — the centre becomes the bottleneck.

GROWTH BY DELEGATION

Authority pushed down. Ends in a crisis of control — the centre no longer knows what is happening.

GROWTH BY COORDINATION

Systems and review. Ends in a crisis of red tape — process outweighs judgement.

Greiner, L. (1972, revised 1998). Evolution and revolution as organizations grow. Harvard Business Review, 76(3).

THE USEFUL READING

Diagnose the crisis you are in

Each crisis has a specific remedy, and applying the wrong stage's remedy makes it worse.

THE FOUNDER'S ROLE

It changes at every transition

What made the last stage work is usually what blocks the next one.

THE CAUTION

Stages are not a schedule

Companies revisit crises, and some skip stages entirely. Use it as a diagnostic, not a roadmap.

DEFINITION

What founder operating authority actually is

Not the title, and not ownership

WORKING DEFINITION

A founder's operating authority is the set of decisions that cannot proceed without them — whether or not anyone intended it that way. Redesigning the role means changing that set deliberately rather than letting it be defined by habit.

1

It is revealed, not declared

Look at what actually waits for the founder. That list is the real role description, whatever the org chart says.

2

It accumulates by default

Every exception routed upwards becomes a precedent. Authority concentrates unless it is actively pushed out.

3

It has a ceiling

One person's attention is finite. Beyond a point, concentrated authority sets the company's maximum rate.

Wasserman, N. (2012). The Founder's Dilemmas. Princeton: Princeton University Press.

What the founder stops doing, and starts doing

The transition is subtractive before it is additive

EARLY STAGE

Deciding inside the work

WHERE THE VALUE IS

Direct judgement on product, customers and hires — speed comes from not consulting anyone.

HOW AUTHORITY WORKS

Informal, universal, and fast. Everything can reach the founder.

WHY IT STOPS SCALING

The same accessibility becomes the queue everything waits in.

LATER STAGE

Deciding about the system

WHERE THE VALUE IS

Who leads what, what gets resourced, which trade-offs are non-negotiable.

HOW AUTHORITY WORKS

Defined, bounded, and exercised through others — with a small reserved set.

WHAT IS HARDEST

Giving up decisions the founder is genuinely the best person to make.

WHY THIS TRANSITION IS RESISTED

The painful part is that delegation costs quality in the short run. A decision made by someone learning it will be worse than the founder's — and that is the price of capacity.

What should stay with the founder

A short, explicit list — everything else is genuinely delegated

DIRECTION	What business we are in, and what we deliberately will not do.
CAPITAL ALLOCATION	Where significant resource goes, and what is starved.
SENIOR APPOINTMENTS	Who leads each function, and who is removed.
NON-NEGOTIABLES	The standards that cannot be traded for speed — safety, ethics, quality floors.
EXISTENTIAL RISK	Decisions that could end the company. Never delegated, regardless of seniority.

THE RULE

Short, and written down

If the reserved list has twenty items, nothing has been delegated. Five is a working number.

THE COROLLARY

Everything else really is delegated

A decision listed as delegated and then overruled teaches the organisation that the list is decorative.

Composing an executive team for the next stage

Upper-echelons research: the team's composition predicts the firm's choices

STAGE THEY SUIT ▲

HIRE DELIBERATELY Suits the next stage, no internal context. Needs a real onboarding investment.	**THE STRONGEST POSITION** Suits the next stage and already holds the context. Hirebotics' successor sat here.
MISMATCH Suits neither. The hardest conversation, and the one most often postponed.	**VALUABLE, AND AT THEIR CEILING** Deep context, suited to the stage you are leaving. Move the role, not the person, where you can.

CONTEXT THEY ALREADY HOLD →

THE FINDING

Teams shape strategy

Executive background and experience predict what a firm notices and chooses. Composition is a strategic act.

THE COMMON ERROR

Hiring for the last stage

Teams recruit against the problems they just solved rather than the ones arriving.

THE OTHER ERROR

Pedigree over fit

Experience at scale does not transfer automatically to building the thing that reaches scale.

Hambrick, D. & Mason, P. (1984). Upper echelons. Academy of Management Review, 9(2), 193–206.

When to make the transition

Hirebotics moved during momentum, which is the unusual and correct choice

TOO EARLY

Structure imposed before there is enough work to distribute. Overhead without relief.

DURING MOMENTUM

The company is working, cash is adequate, and the transition can be absorbed. Rare, and the right window.

UNDER DURESS

Forced by burnout, a board, or a crisis. Every choice is now constrained and visible.

SIGNALS THE WINDOW IS OPEN

Signal	What it indicates
Decisions queue for the founder.	Authority has concentrated past the point of usefulness.
The founder is the escalation path for everything.	There is no functioning layer beneath, whatever the titles say.
The founder cannot name what they stopped doing this year.	The role has only accumulated, never been redesigned.

Redesigning the role in one table

Made concrete, so the change is observable rather than declared

Decision area	Before	After	Held by
Pricing above list discount	Founder	Delegated	Commercial lead, to 20%
Senior hires	Founder	Reserved	Founder, with the relevant executive
Product roadmap sequencing	Founder	Delegated	Product lead, within agreed themes
Entering a new market	Founder	Reserved	Founder and board
Supplier selection	Founder	Delegated	Operations lead, above a threshold to founder
Quality standard exceptions	Founder	Reserved	Founder — a non-negotiable

WHAT MAKES IT REAL

The value of this table is the middle two columns. A role change that cannot be written as before and after has not happened.

Three transitions that do not take

Each is announced sincerely and reverses within two quarters

Delegation without authority

Looks like A leader appointed, every decision still reviewed.

Why it fails The organisation learns where power actually sits and routes around the appointment.

Fix Publish the reserved list and honour it, including when you disagree.

Hiring seniority as a substitute for design

Looks like Experienced executives hired into an undefined structure.

Why it fails Without decision rights they either collide or wait.

Fix Define the authority before filling the role — Session 1.2.

The founder's shadow role

Looks like A formal step back, informal continued direction.

Why it fails Two reporting lines, one of them unacknowledged.

Fix Route everything through the new holder, visibly, for at least two quarters.

CASE STUDY

Hirebotics

A chief executive transition made during momentum rather than during difficulty.

Transferring context, not just the title

A successor who already carried the operating knowledge

THE FOUNDING ARCHITECTURE

Two founders, one operating model

THE COMPANY

Founded in 2015 by Matthew Bush and Rob Goldiez; Beacon-powered cobot welding and cutting systems deployed globally.

THE RELATIONSHIP

A product platform built alongside a founder partnership that carried much of the operating context.

THE RISK IN THAT

Context held in a relationship rather than in a structure does not survive the relationship changing.

THE TRANSFER

Authority moved, context kept

THE CHANGE

Bush became CEO effective 20 February 2026; Goldiez retired after over a decade leading the company.

WHY THE SUCCESSOR FITTED

Bush already oversaw product development, manufacturing operations and customer success.

THE TIMING

Announced during a period the company described as strong momentum — not during a crisis.

READING THE CASE

Executive succession can be designed around capabilities already embedded in a founder relationship. The scarce thing being transferred is operating context, not the title.

APPLICATION

Bringing the theory to Northstar Forge

Redesigning the founder's role deliberately

Step	What you produce	Northstar Forge example
Observe the real role	Two weeks of what actually waited for the founder.	41 decisions; 29 were pricing exceptions and supplier approvals.
Diagnose the stage	Which Greiner crisis you are in.	Crisis of autonomy — the centre is the bottleneck.
Write the reserved list	Five items, no more.	Direction, capital, senior hires, safety standards, existential risk.
Assess the team	Stage fit against context held.	Operations lead ready; commercial role is a mismatch for the next stage.
Publish before and after	By decision area, with holders.	Circulated to the top two layers, not only the executive.
Protect the transfer	How reversal will be prevented.	Founder does not take escalations directly for two quarters.

WHAT COMES NEXT

Session 1.2 selects the people who will hold the delegated authority, and defines it precisely.

SUMMARY

What to carry out of this session

1 **Each growth stage ends in its own management crisis.**
The remedy that solved the last stage is usually what blocks the next.

2 **The founder's real role is what waits for them.**
Observe the queue for two weeks; that is the role description.

3 **Reserve five decisions and genuinely delegate the rest.**
A long reserved list means nothing has been delegated.

4 **Compose the executive team for the next stage.**
Teams routinely recruit against the problems they just finished solving.

5 **Move during momentum, not under duress.**
Hirebotics changed CEO while the company was performing, which is when the choice is widest.

FURTHER READING

Sources for this session

Primary references behind each concept

GROWTH STAGES	Greiner, L. (1998). Evolution and revolution as organizations grow. *Harvard Business Review*, 76(3), 55–68.
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