

Ascend National

DAY 3

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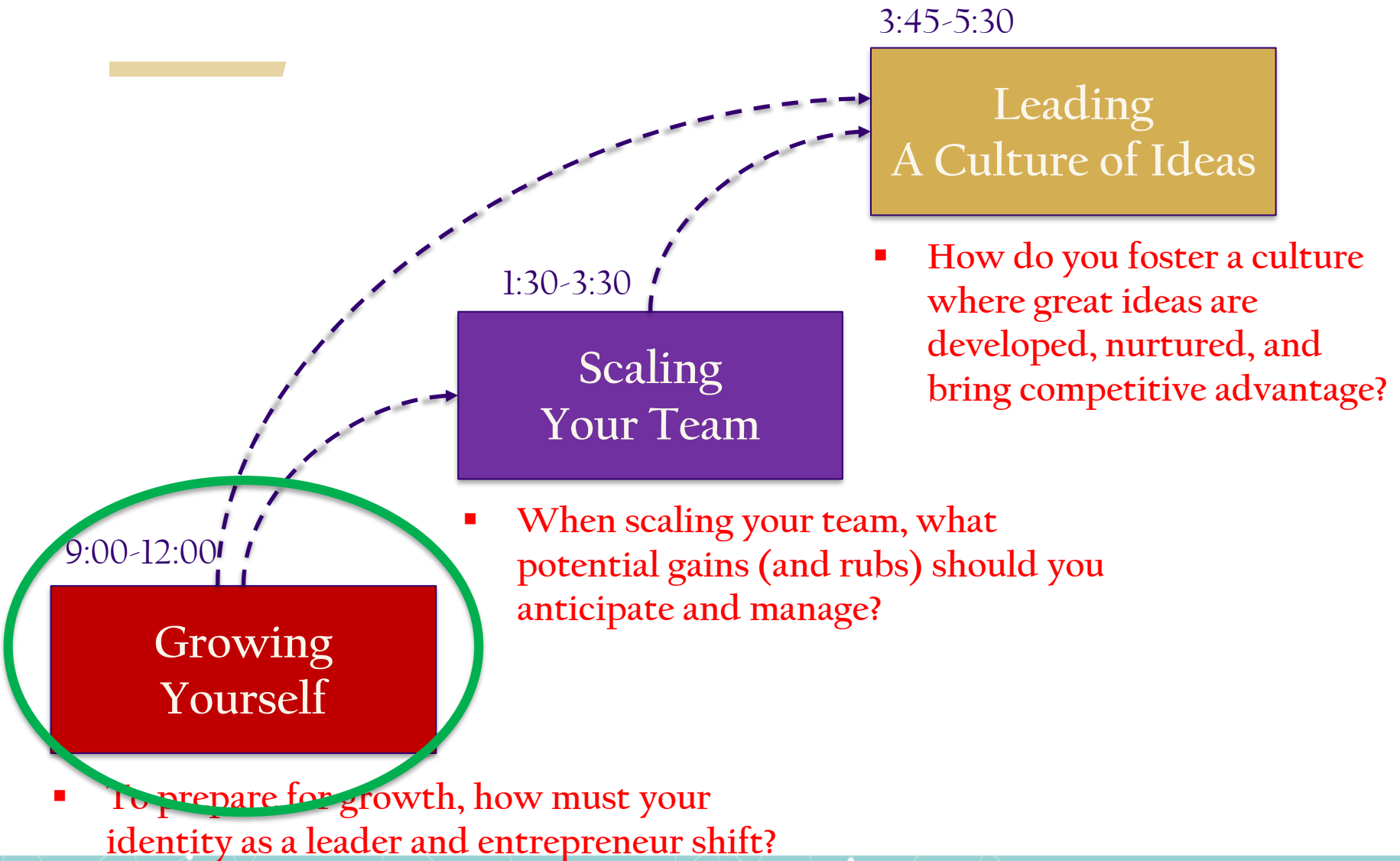
September 23, 2026



My Own Experience with Scaling



Leadership Strategies for Scaling



A Fitting Metaphor: New Wine, New Skins

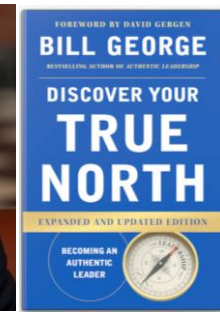


Leadership Identity

Your core values

Your motivators & passions

Your leadership strengths

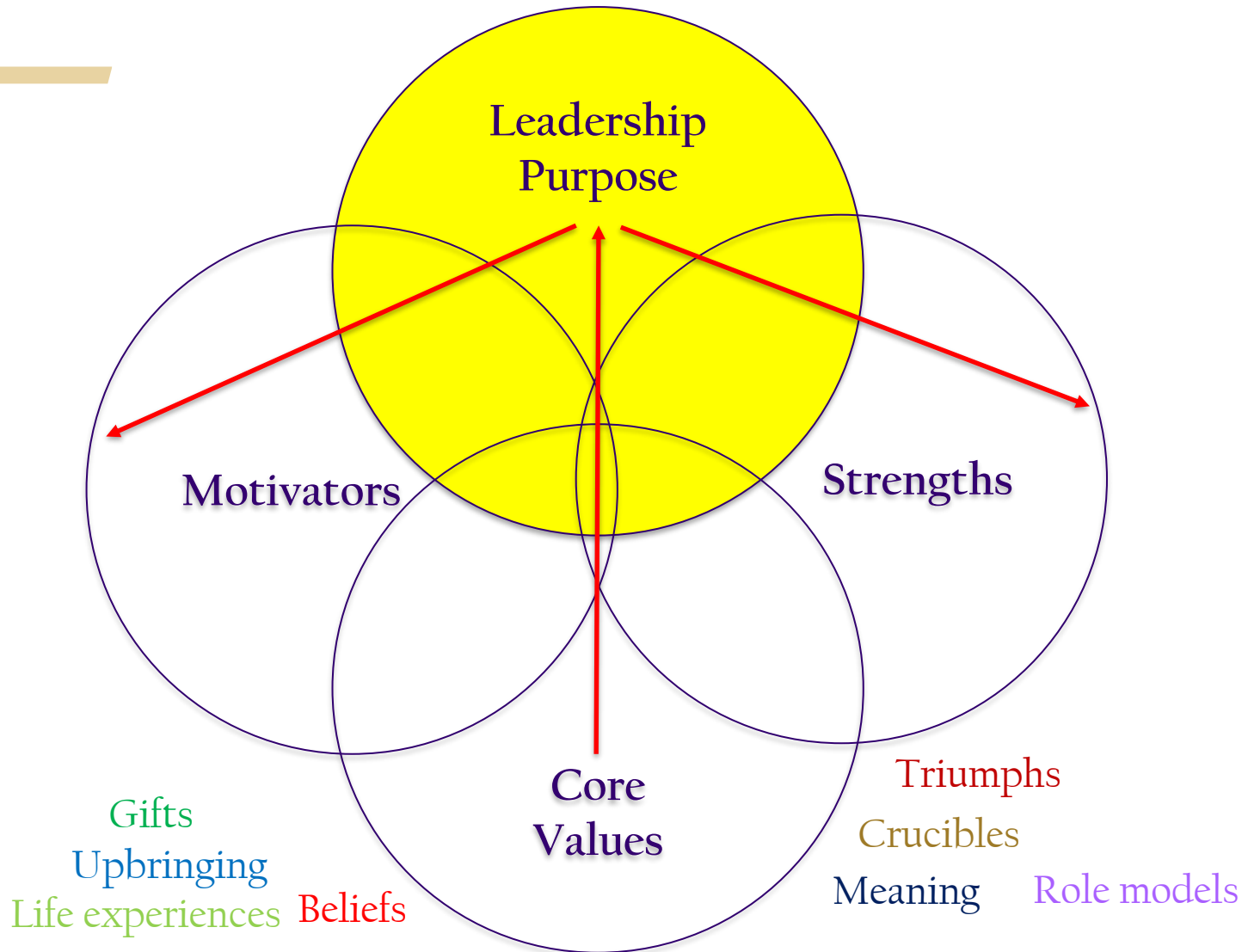


Entrepreneurial Identity

Your reasons for becoming an entrepreneur

The way you lead your business

Leadership Identity in Action



Identity & Readiness for Growth

“In my research on leadership transitions, I have observed that career advances require all of us to move way beyond our comfort zones. Yet we tend to latch on to our identity as an excuse for sticking with what’s comfortable.



Herminia Ibarra
(Professor, London
Business School)

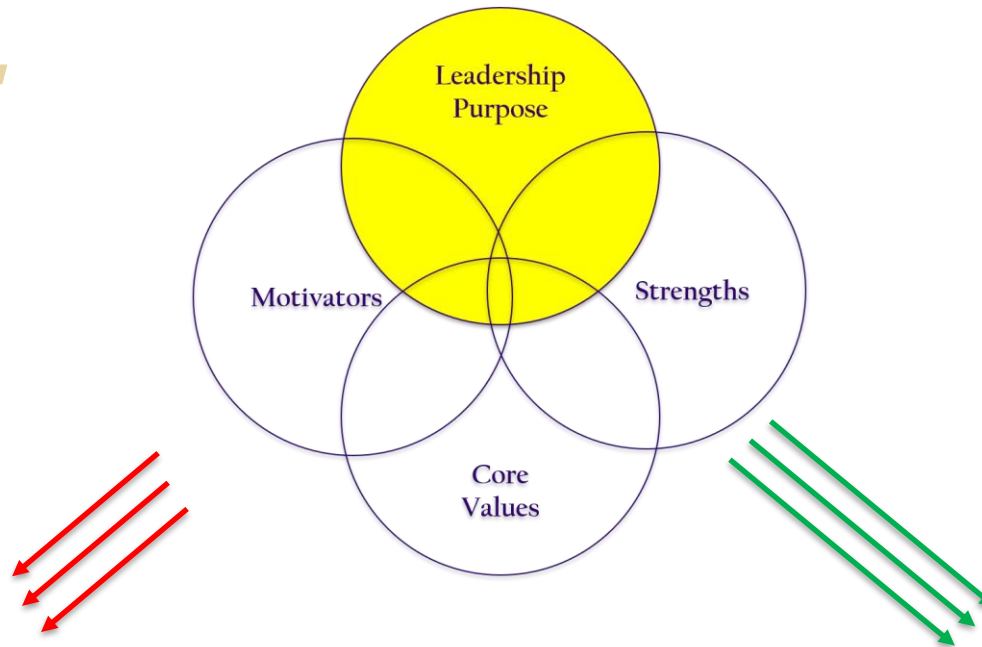
By viewing ourselves as works in progress and evolving our identities through trial and error, we can develop a personal style that feels right to us and suits our organizations’ changing needs.”



“Leadership identity is a dynamic thing. It is like writing something on page one of your journal...in pencil.”

Clyde Walker (VP of HR, Continental Mills)

In Other Words...



STATUS QUO

Current approach of leveraging your leadership strengths, motivators, and passions to live out your leadership purpose

IN ORDER TO SCALE
Requires *new* approach of leveraging your leadership strengths, motivators, and passions to live out your leadership purpose

Case: Part 1 of Richelieu Dennis at SheaMoisture



Questions:

1. Does anything in Dennis' story thus far resonate with you?
2. How would you describe his leadership identity?

Since 1992...

What do you hope to achieve and be remembered for as a leader?

“...to serve a community the beauty industry has ignored, using what my family knows how to make — and to keep it owned by us.”

What motivates you to lead?
Rank top 5 by most important (1)
to least important (5)

- | | |
|------------------------------------|------------------------------|
| <u>4</u> Money/compensation | <u> </u> Personal growth |
| <u>1</u> Power/control | <u> </u> Helping others |
| <u> </u> Prestige/status | <u>5</u> Finding meaning |
| <u> </u> Beating the competition | <u>2</u> Being true to you |
| <u> </u> Public recognition | <u>3</u> Making a difference |

What are your most distinctive leadership strengths?
(Check up to 5)

- ✦ Displaying honesty, & integrity
- ✦ Exhibiting technical & professional expertise
- ✦ Problem solving & analyzing issues
- Getting results & establishing stretch goals
- Developing strategic perspective
- ✦ Championing change & innovation
- Communicating powerfully & broadly
- Inspiring and motivating others
- ✦ Building relationships (both internal & external)
- Developing others & fostering teamwork

What core values guide how you behave and make life and/or business decisions?

(List up to 5)

Community
Family heritage
Economic dignity
Reinvestment
Self-determination

In 2015...

Step 1 –Where you are today.

What we sell, to whom: Shea butter–based hair and skin care, to Black women the beauty aisle has never served.

Roughly how big (revenue, customers, locations): About \$200 million, up 31% last year.

How many people (and how many have been with you since Day 1): My mom, my roommate, and me.

Step 2 – Where you are trying to be.

“ 24 months from now, this business will be on the same shelf as Unilever and L’Oreal, in the same stores, at the same scale—and still be family controlled. ”

We will get there by (check one or two that matter most):

- ☐ More of the same customers
- ☐ New geographies
- ☒ New products or lines
- ☐ New channel (retail, wholesale, online, licensing)
- ☐ Franchise or replicate
- ☒ Raise outside capital
- ☐ Hire senior people / build a leadership layer
- ☐ Convert what’s in my head into a structure/system
- ☐ Acquire or partner
- ☐ Other: _____

Step 3 – State your next move.

taking outside capital for the first time—a minority, non-controlling stake—to buy the supply chain and

“In the next 24 months, I will scale by infrastructure we cannot fund.”

What I’d have to stop doing personally: we fund it ourselves mentality

What I’d have to start doing differently: explaining my reasoning in public

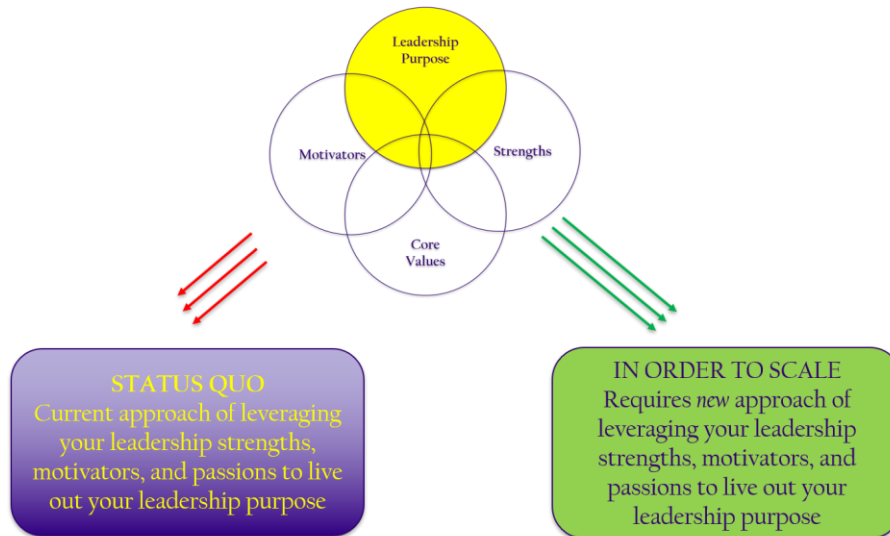
What I’d have to hand to someone else: a board seat and a non-controlling share of the company

What else: _____

So What Has to Change?

Discuss with a partner:

- Which new strengths does this move demand that he is not leading with today?
- How do his motivations need to flex to support this change?
- What doesn't change?



Case: Part 2 of Richelieu Dennis at SheaMoisture



What he had to flex...

What do you hope to achieve and be remembered for as a leader?

“...to build economic power for communities the market overlooks, and open access to capital I had to fight for.”

What motivates you to lead?
Rank top 5 by most important (1)
to least important (5)

- | | |
|------------------------------------|------------------------------|
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Economic dignity
Reinvestment
Self-determination

...to making his scaling plans possible.

What It Made Possible



\$1.6 billion (versus the \$700 million he was valued at two years earlier)

The New Voices Fund, negotiated into the transaction. \$50 million, aimed at \$100 million, for women of color founders.

Essence Ventures — a Black women's institution returned to Black ownership.

The number one natural hair and beauty company serving Black women.



REFLECT AND APPLY (15 minutes total)

1. Tell your partner about your leadership identity. How has it enabled your business' success so far? (5 min)
2. Now discuss your scaling plan. Where does your grid help this plan? Where does it get in the way? What would you have to “flex”? (e.g., require a broader interpretation of your leadership purpose, leverage new strengths, or shift your motivators) (10 min)
3. Prepare to share out the following with the rest of the class: “The thing about how I lead that will have to flex is...”

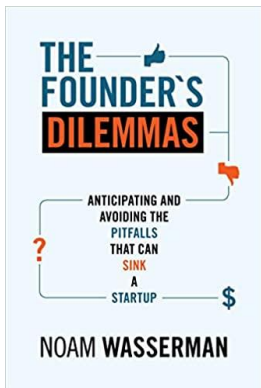
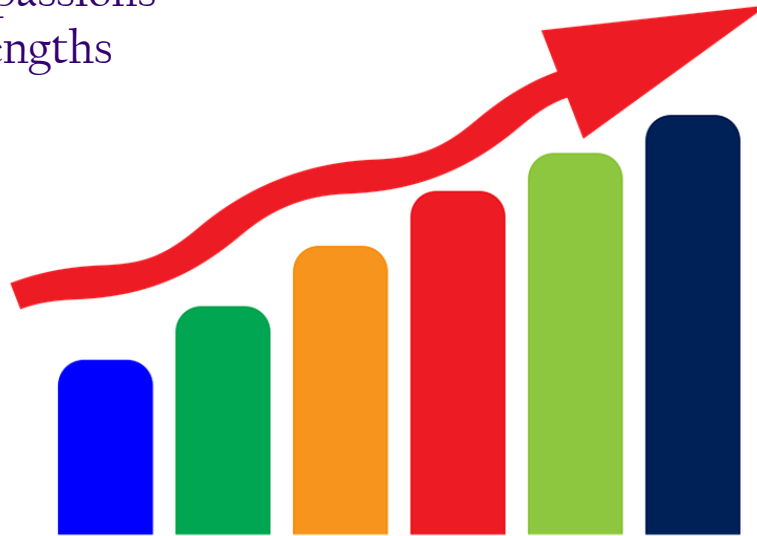


Leadership Identity

Your core values

Your motivators & passions

Your leadership strengths



Entrepreneurial Identity

Your reasons for becoming an entrepreneur

The way you lead your business

Instructions: For each statement, indicate how much you agree or disagree using the following scale (1 = *strongly disagree*, 2 = *disagree*, 3 = *neutral*, 4 = *agree*, 5 = *strongly agree*). Then sum up the sub-scores. Prepare to share in class.

		Score (1-5)
1	Achieving high financial returns is my primary motivation for running my business.	
2	I focus on financial metrics and profitability when making business decisions.	
3	My main goal is to maximize the valuation of my company for a lucrative exit.	
4	I prefer pursuing business strategies that offer quick financial gains, even if they involve short-term risks.	
5	I regularly seek out high-value investors and partnerships that can significantly increase my company's financial worth.	
6	Maintaining control over my company's direction and decisions is more important to me than financial rewards.	
7	Building a lasting legacy and making a meaningful impact in my industry or community is my top priority.	
8	I prefer to retain ownership and decision-making power, even if it means limiting growth opportunities or financial gains.	
9	Creating a strong company culture and aligning the business with my personal values is crucial to me, even over financial success.	
10	I am more focused on the long-term vision of the company and its impact rather than immediate financial returns.	

Sum of items 1-5: _____

Sum of items 6-10: _____

Patterns of Entrepreneurial Leading

“Rich” Pattern

Entrepreneurs following this pattern are primarily motivated by **wealth creation and financial success**.

Leadership is focused on **financial gain and economic benefits**.

Decisions are often driven by **maximizing personal and financial returns**.



“Kingdom” Pattern

Entrepreneurs following this pattern are primarily motivated by **maintaining control over their company**.

Leadership is centered around **control, influence, and the legacy of the business**.

Decisions are often focused on the company's **long-term vision and establishing a lasting legacy**.

“Rich” vs. “Kingdom”: Circle as You Go!

	Decisions Oriented toward Maximizing Wealth	Decisions Oriented toward Maintaining Control
Approach toward Co-founders	▪ Attract best (and complementary) cofounders for founding team	▪ Remain solo founder or look to immediate circle for “comfortable” cofounders
	▪ Give decision-making control to cofounders with expertise in specific areas	▪ Keep strong control of decision-making; hierarchies
	▪ Share equity to attract and/or motivate cofounders	▪ Maintain most of all equity ownership

“Rich” vs. “Kingdom”: Circle as You Go!

	Decisions Oriented toward Maximizing Wealth	Decisions Oriented toward Maintaining Control
Approach toward Building Internal Team	▪ Aggressively tap broader network (unfamiliar candidates) to find the best	▪ Hire within close, trusted personal network (friends, family, others)
	▪ Delegate decision-making to appropriate expert	▪ Keep control of key decisions
	▪ Hire experienced employees and incent them with cash and equity	▪ Hire less expensive and less experienced junior employees

“Rich” vs. “Kingdom”: Circle as You Go!

	Decisions Oriented toward Maximizing Wealth	Decisions Oriented toward Maintaining Control
Approach toward Building External Team	▪ Take outside capital; or Target experienced angels or venture capitalists	▪ Self-fund; or friends and family or money-only angels
	▪ Open to terms necessary to attract best investors (e.g., supermajority rights)	▪ Resist investor-friendly terms (e.g., refuse supermajority rights)
	▪ Get best investors and directors, even if it means losing control of the board	▪ Avoid building official board; when built, control composition and makeup

“Rich” vs. “Kingdom”: Circle as You Go!

	Decisions Oriented toward Maximizing Wealth	Decisions Oriented toward Maintaining Control
Approach toward Succession & Growth	▪ Open to initiating succession or change position when next stage of startup if outside one's own expertise	▪ Resist giving up the CEO position; rather leave than remain “prince”
	▪ Prefer fast to explosive rate of startup growth	▪ Prefer gradual to moderate rate of startup growth
Outcome	▪ Build financial value; imperil control	▪ Maintain control; build less value

Case: Pinky Cole at Slutty Vegan



Questions:

1. Where does Cole sit on rich vs. kingdom?
2. Raising \$25m is a move toward rich. What other dimensions moved with it—if any? What was the consequence?

Where Cole Sits

	The Evidence	Verdict
Co-founders	Sole founder. She wrote the voice, ran the marketing, set the culture. The reason people queued, and the single point of decision.	KINGDOM
Internal team	The people she brought in came from her own network and from inside the company.	KINGDOM
External team	A \$25 million Series A led by Danny Meyer's Enlightened Hospitality Investments, at a \$100 million valuation.	RICH
Succession & growth	Decision-making stayed with her. Eighteen locations, every one company-owned.	KINGDOM

Only the money changed; the way she led did not.

Cole's Scaling Pivot

	Company-owned model (2018-2024)	Franchise model (from 2025-)
Who funds the location	Slutty Vegan	The franchisee
Who hires & manages the staff	Slutty Vegan	The franchisee
Who carries the lease	Slutty Vegan	The franchisee
Who runs the restaurant	Slutty Vegan	The franchisee
What Slutty Vegan does	Everything	Licenses the brand. Collects fees.

Note: Neither Dennis nor Cole went “fully rich.” Dennis gave up equity and kept the board, management, and operations. Cole kept the brand and gave away the restaurants.

It is not which entrepreneurial identity is better. It is whether your pattern *aligns* with your scaling move.



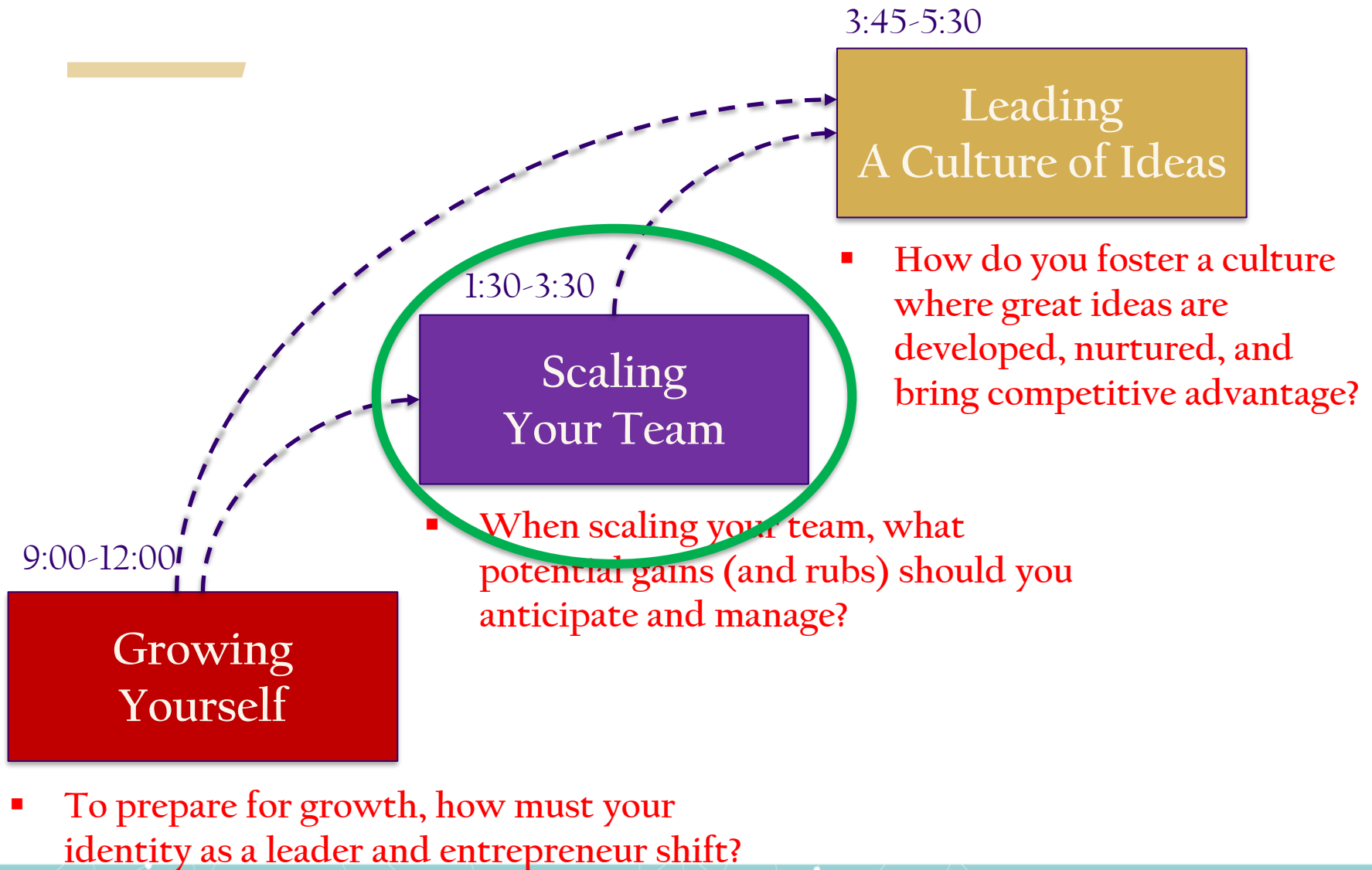
REFLECT AND APPLY (15 minutes total)

1. Tell your partner about your entrepreneurial identity. What has been your pattern of entrepreneurial decision-making so far? (5 min)
2. Does your scaling plan(s) require you to “switch” your pattern of entrepreneurial decision-making? What parts do you find most difficult to align? (10 min)
3. Prepare to share out: “The dimension of my entrepreneurial identity that I will have to move is...”

Growing Yourself: Takeaways

- An overly rigid sense of leadership identity can prevent you from growing your business; broadening your leadership purpose, flexing new leadership strengths, and shifting your motivators can enable you to see and pursue scaling.
- If not aligned with your scaling model, your previously successful entrepreneurial identity can lead to patterns of behavior that sabotage growth and your personal goals.
- If reframed to align with growth, your leadership and entrepreneurial identities can prepare you to scale—and it's best when the reframing comes before you move.

Leadership Strategies for Scaling



“The Team You Need Tomorrow is not the Team You Have Today”

If you built a team of generalists to begin with...

Do you grow the people you have or replace them with specialists?

If you hired junior employees during the early days of the startup with little management experience...

Do you train them, replace them, or hire more experienced people to supervise them?

If you hired friends or family members early on who thrived on a “tight-knit” team culture...

What will you do if they turn out to be a poor fit for the new team culture you need to scale?

And, Let's Say You Bring In New Blood...
What Else Could Go Wrong?



The Challenge

Build the tallest freestanding structure in 18 minutes: The winning team is the one that has the tallest structure measured from the table top surface to the top of the marshmallow. That means the structure cannot be suspended from a higher structure, like a chair, ceiling or chandelier.

The entire marshmallow must be on top: The entire marshmallow needs to be on the top of the structure. Cutting or eating part of the marshmallow disqualifies the team.

Use as much or as little of the kit, however you see fit!



A Couple More Things



Each person takes a role card.

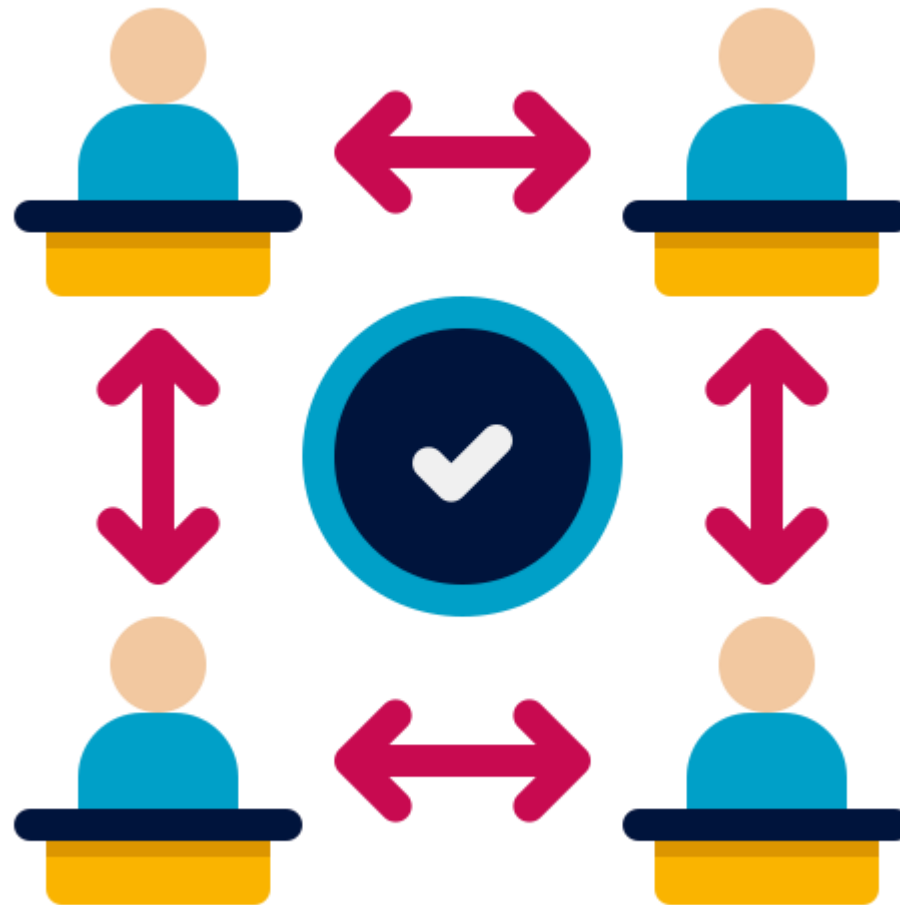
If you picked #1, **YOU ARE THE LEADER**. Your job is to ask, allocate, and decide. You may not directly build anything.

If you picked #2, 3, or 4, **YOU ARE THE BUILDERS**.

You have 18 minutes to build. **GOOD LUCK!**

Re-org Alert!

#3s are on the move!



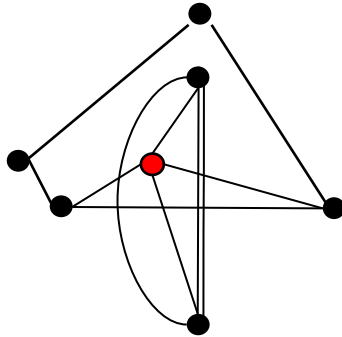


#3's, what was it like joining a team that had already decided?

#2's & 4's, how long was it before the new person spoke? Did you act on their suggestions?

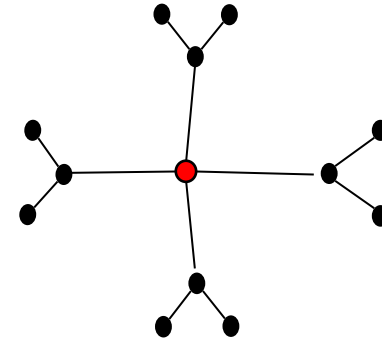
#1's, what did you do in the moment? How did you make the most of “new blood”?

What Old Guards and New Guards Bring



“Old Guard”

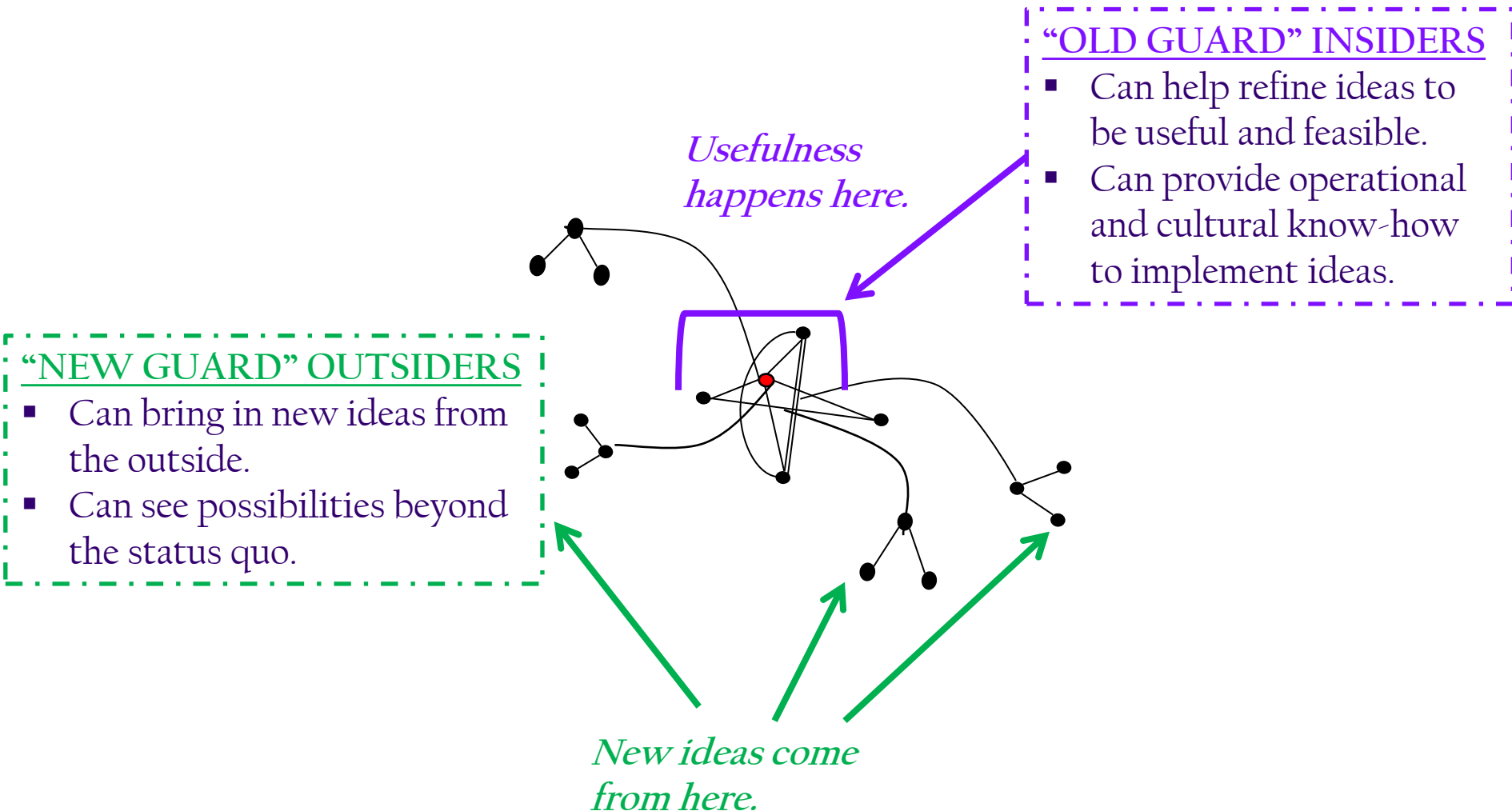
- Existing members directly linked to each other, usually quite homogeneous and high in trust.
- Information tends to be redundant *and* status quo inertia is high.



“New Guard”

- Diverse, unconnected individuals (e.g., specialists, management expertise, suppliers, clients, investors).
- Access to diverse information *and* maximum flexibility to try new ideas.

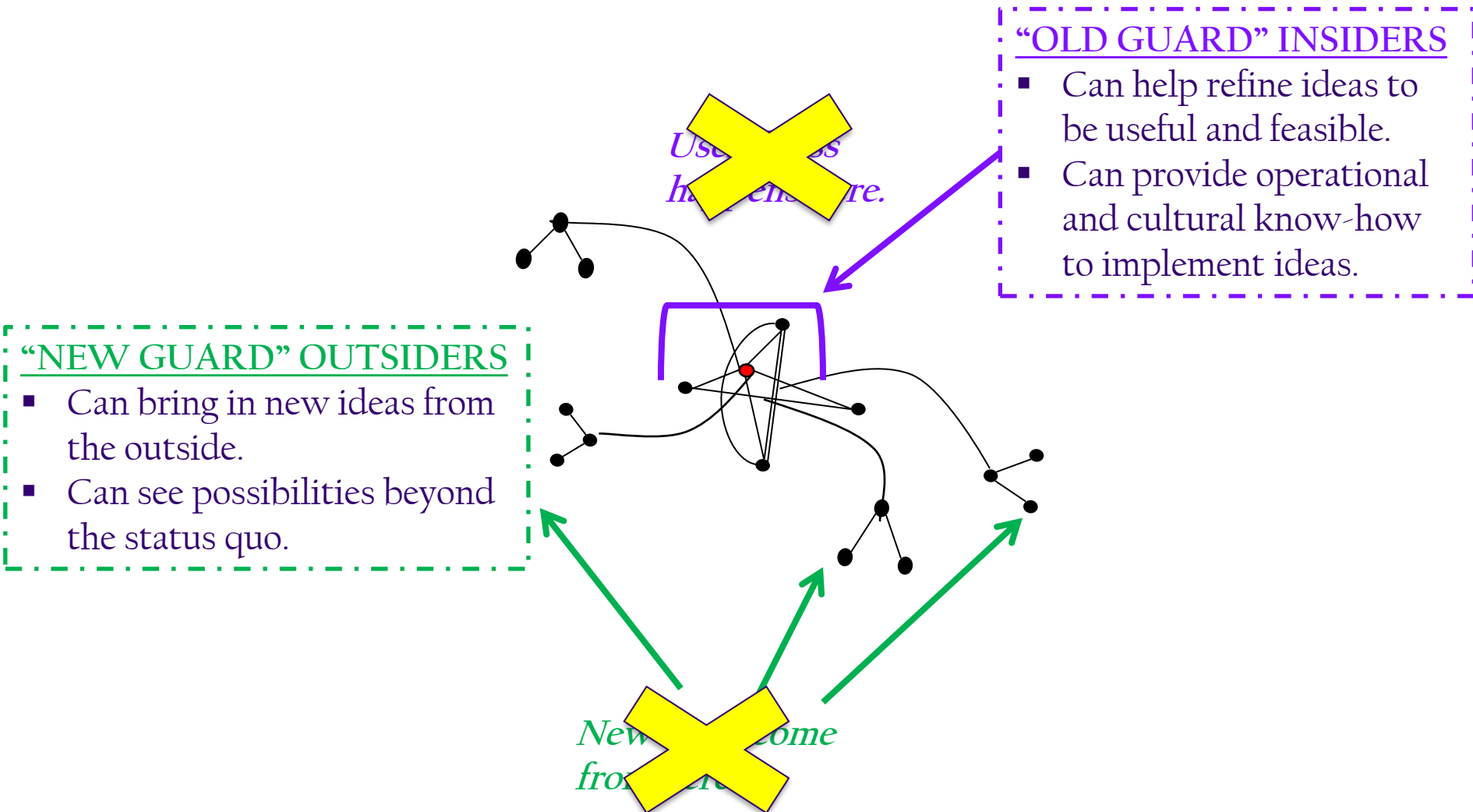
How Things Should Ideally Work



But...Unmanaged Faultlines Can Get in the Way

	Company tenure (yrs)	Functional expertise	Reward Structure	Relationship to Founder
Member 1	3 yrs	Generalist	Low cash, high equity	Family member
Member 2	5 yrs	Generalist	Low cash, high equity	Personal friend
New Hire 1	Less than 1 yr	Specialist (Marketing)	High cash, low equity	No pre-existing relationship
New Hire 2	Less than 1 yr	Specialist (HR)	High cash, low equity	No pre-existing relationship

How Things Should Ideally Work



A Tale of Two Companies



Read your case and then pair up with someone who read the other case.

1. What team did each of these companies need to scale?
2. What did they do about it, and what happened?



Compare and Contrast

	Outdoor Voices	Zingerman's
What they needed	People who had done retail at scale	People who could run new businesses without watering down the original
What they did	Hired specialists in over the old guard	Grew the old guard into the specialists
How they did it	Specialists arrived; no role for the people already there	Open-book management + Path to Partnership—develop a concept, we invest, you own part of what you run
Outcome	New chairman out in 2 years; new president/COO lasted a few months. Haney out in 7 years. Early team wasn't spared either.	11 businesses, 23 partners, 800+ employees, \$80M+ all in Ann Arbor

Outdoor Voices created a faultline but had no mechanism to manage it. Zingerman's was deliberately slower but grew in a way that never produced a faultline.

Solution: Create Psychological Safety

Psychological safety is the confidence and trust that the team will not embarrass, reject, or punish someone for expressing disagreement, challenging others' views, making a mistake, or showing personal weakness.

Why the “old guard” needs it:

May worry about their relevance as demands for functional expertise outstrip early employees' abilities to keep up

May worry about their status as functional leadership titles increasingly go to outsiders

May worry about their competence as role changes from generalists to specialists require new expertise that they don't have

Why the “new guard” needs it:

May worry that others identify with the status quo, so speaking up may constitute personal criticism

May worry that speaking up with new ideas that challenge, question, or contradict others is seen as unacceptable

May worry that making a mistake will make them even more of an “outsider” than they already are

“Old Guard” Psychological Safety Moves

1. Emphasize and celebrate the old guard. “We wouldn’t be here without you.”
2. Establish focus around the new task at hand. “Greater good of the firm > status in the new order.”
3. Involve and amplify their voice, especially in the hiring process. “You are experts in us. You know who we need.”
4. Cultivate a learning mindset. “Hire someone who can mentor and empower you to grow into your new role.”
5. Bring in new people who respected the way things have been. “I learned pretty quickly to respect the people who had built a process that kept the company running.”

“New Guard” Psychological Safety Moves

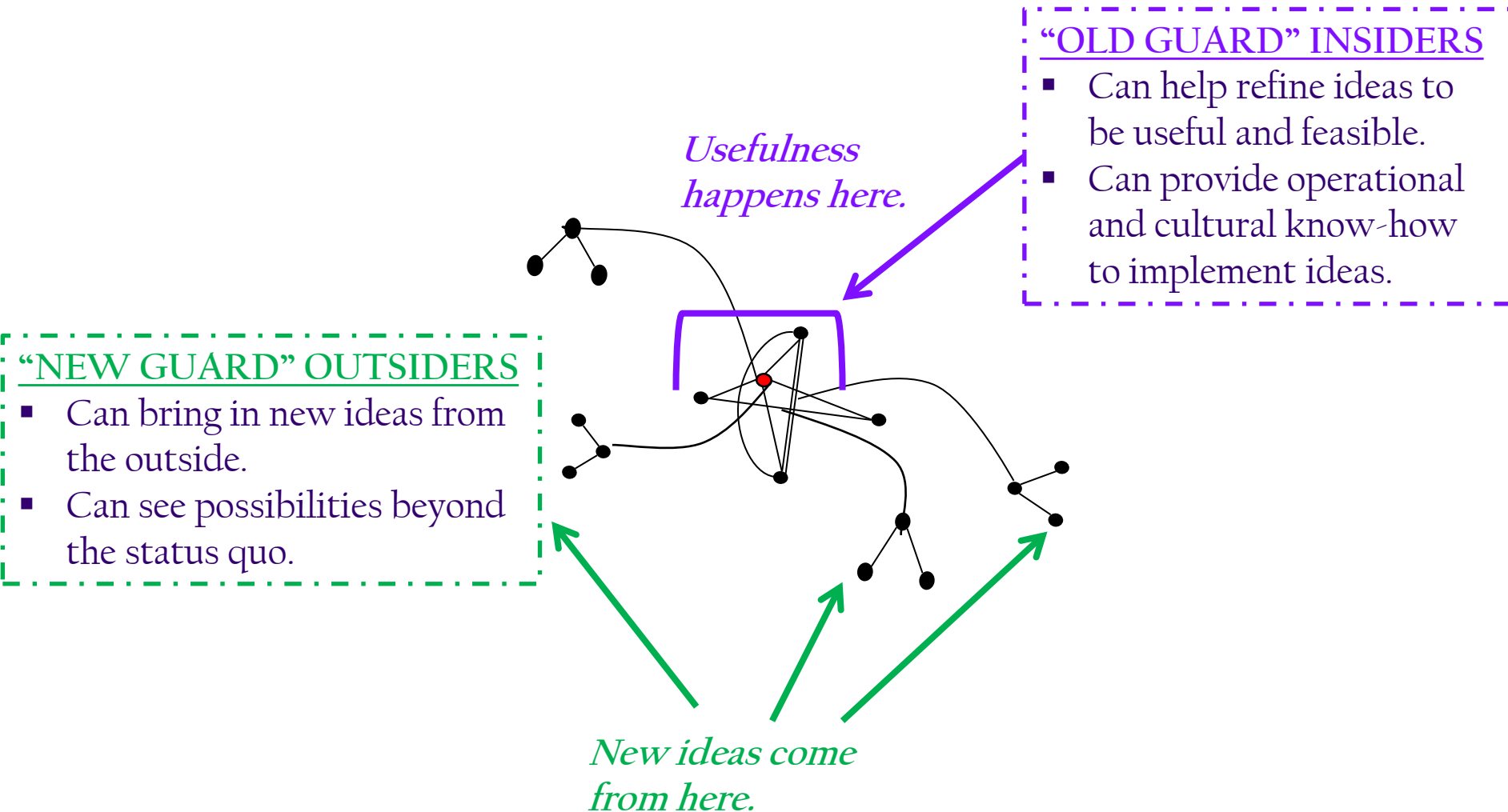
1. Show humility. “I don’t have all the answers. I need you to show me a better way.”
2. Demonstrate curiosity by inviting, amplifying, and acting on dissenting points of view. “That’s different from what we have done; but let’s try it and see what we learn.”
3. Get ready to celebrate the right kind of failures...

Basic failures –
a known process
done wrong.

Complex failures –
several small things
line up, resulting in a
classic breakdown.

Intelligent failures –
thoughtful experiments in
new territory that enable
learning.

Make the faultline work *for* you. “Old guard provides deep cultural knowledge and insight in how the components of the business model fit together; new guard gives us possibilities for where we are going next.”





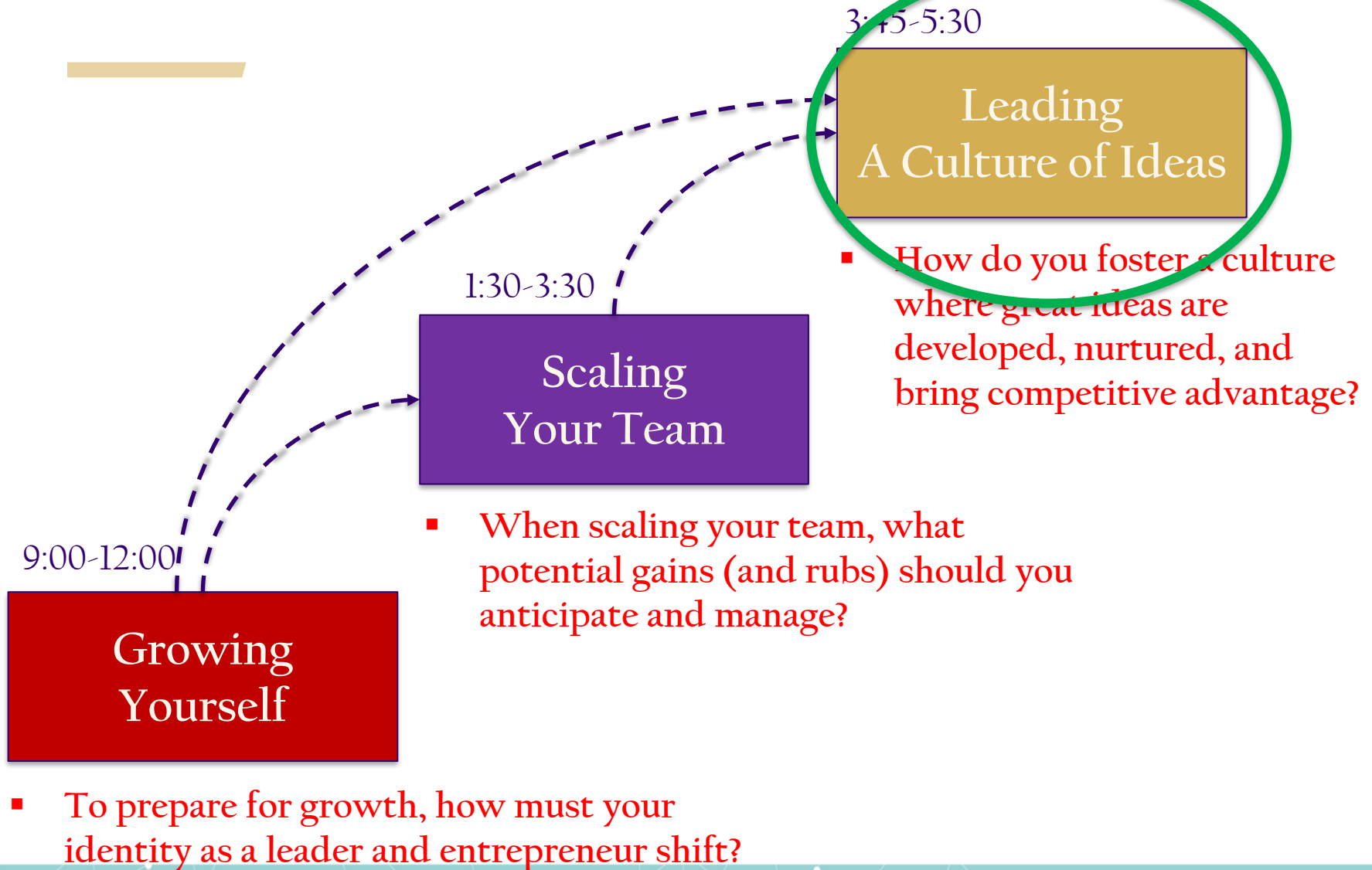
REFLECT AND APPLY (15 minutes total)

1. As you scale, what do you anticipate needs to change about your team?
(5 min)
2. Of the potential old-new guard frictions that may arise, which present the biggest challenge to you? How do you plan to manage these frictions with psychological safety? (10 min)
3. Prepare to share out: “The faultline I am most worried about is..., and this is what I plan to do about it...”

Scaling Your Team: Takeaways

- For the team you need tomorrow, you need both old and new guards—but for different things. Hiring for one or ignoring the other will result in dysfunctional churn or a ceiling.
- To effectively scale your team, your leadership challenge is to manage the faultline. Left unmanaged, the new guard won't speak, and the old guard won't listen.
- Psychological safety is the fix — but it takes different tactics for each side. The old guard needs to know they still matter. The new guard needs to know you'll act on what they say.

Leadership Strategies for Scaling





What is the most powerful lever you can imagine? A big idea, but only if it's in the hands of a truly outstanding entrepreneur. It starts with the person and the idea, and then grows to the institution. All three are intertwined.

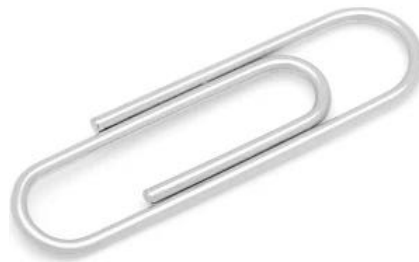
— Bill Drayton —

AZ QUOTES

Where Do Good Ideas Come From?

Good ideas often link things that are not usually linked in useful ways – e.g., new uses for old ideas, new combinations of existing ideas

- ❖ In 1 minute, list as many different uses for a paper clip as you can.



- ❖ Now exchange your list with the person next to you and highlight ideas that are “uncommon.” What led you to generate those ideas?

Research-backed Example

News > World > Americas

First women US marines in history join infantry as military pushes towards gender equality

The women will serve with specialisations as rifleman, machine gun and mortar marine

Rachael Revesz New York | @RachaelRevesz | Thursday 5 January 2017 22:24 GMT | 

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The Independent US



- 156 enlisted men & women
- “Fire teams” of 3 men & 1 female
- Series of realistic team challenges
- Observed who spoke up, what happened to their voice, and team performance

Tale of Two Tasks

Low Complexity Task

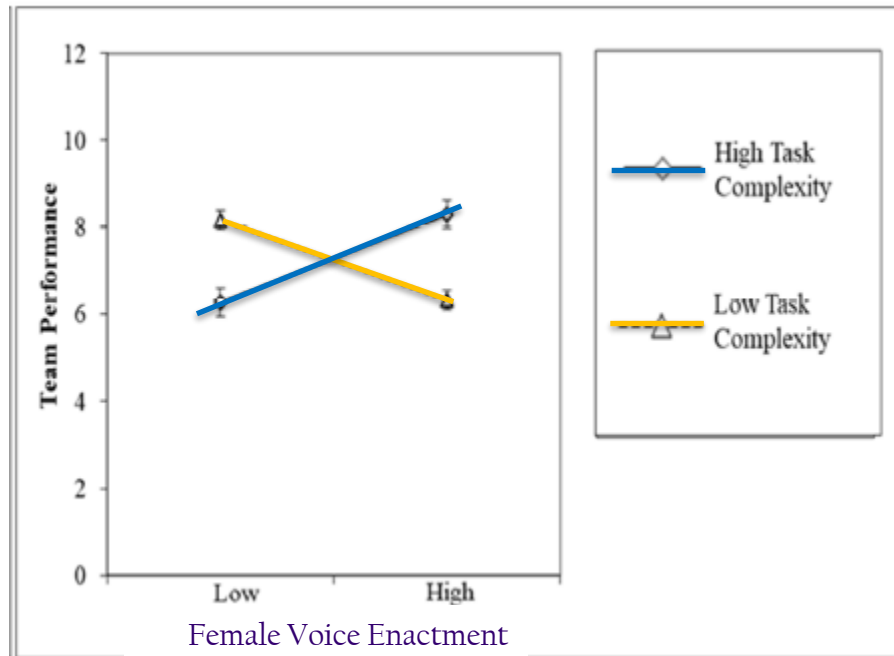


High Complexity Task



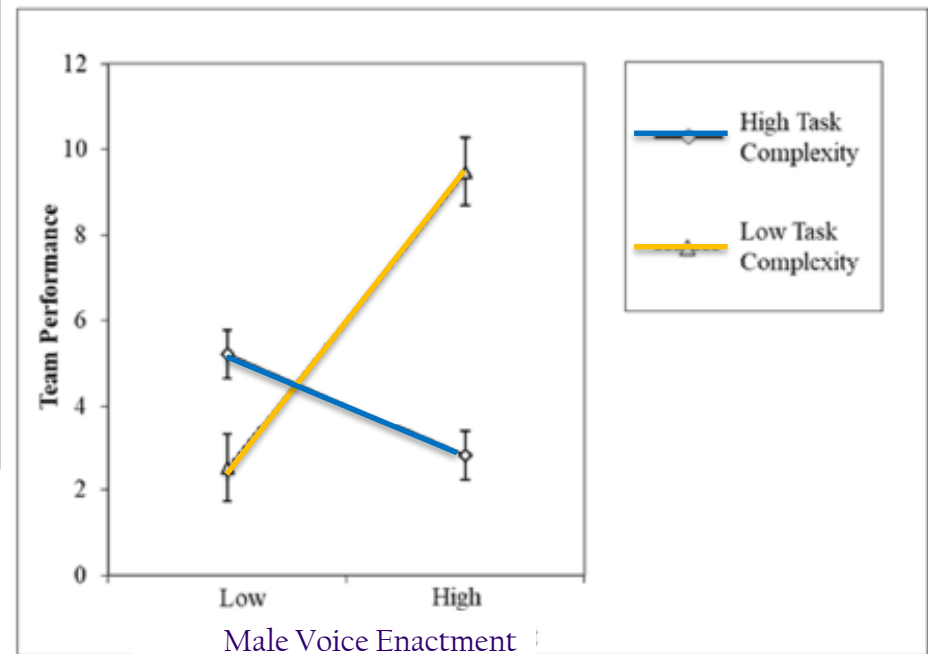
Impact on Team Performance

Gender Integrated Teams



Female Voice Enactment

Gender Integrated Teams



Male Voice Enactment

Leading a Culture of Ideas: Takeaways

- Good ideas can come from anywhere—and often the best ideas come from those who have different expertise and experiences than you.

As Leaders, Are We Good at Recognizing Others' Ideas?

Think of a song that may have been playing in your mind lately.

To a partner, clap the rhythm of that song. See how many tries it takes before they can guess the song. Then switch.



What makes this exercise so difficult?

Why Good Ideas from the Bottom Die a Lot Faster than Bad Ideas from the Top



Fact: Managers tend to...

- Dominate the conversation, making it harder for other voices to be heard
- Evaluate challenging voice negatively and endorse their ideas less (note: supportive voice gets the opposite treatment)
- Under-forecast which ideas will succeed and are biased against things that are new and uncertain



Leading a Culture of Ideas: Takeaways

- Good ideas can come from anywhere—and often the best ideas come from those who have different expertise and experiences than you.
- But as founders/managers/leaders, we are often hard of hearing. We tend to act on ideas that are more similar to our own, while ignoring the types of ideas we need to thrive as we scale.

Solution: Default to Inquiry, Not Advocacy...

Two approaches to group decision making	Advocacy	Inquiry
Purpose of discussion	Persuasion and lobbying	Testing and evaluation
Concept of decision making	A contest	Collaborative problem solving
Participants' roles	Spokespeople	Critical thinkers
Patterns of behavior	- Strive to persuade others - Defend your position - Downplay weaknesses	- Present balanced arguments - Remain open to alternatives - Accept constructive criticism
Minority views	Discouraged or dismissed	Cultivated and valued
Outcome	Winners and losers	Collective ownership

...By Starting with “Yes, and...”

- Imagine that you and a partner work for an ad agency.
- Your client is Corona. They make beer and run beach ads – but are looking for something new.

- Find a partner.



Creative Director

Create a new print ad for Corona that meets your brand objectives.



Account Manager

Collaborate with your creative director to ensure the ad meets Corona’s new business objectives.



- The challenge – you have different objectives but must collaborate to create a new ad in 10 minutes.

“Yes, and...” vs. Taboo Words

- Suggests that a participant should accept what another participant has stated (“yes”) and then expand on that line of thinking (“and”)
- Began in improv groups, but also used in business and other organizations as a principle that...
 - Improves the effectiveness of the brainstorming process
 - Fosters effective communication
 - Encourages the free sharing of ideas
- At the same time, you must avoid the taboo words!

No

Can't

But

Although

However

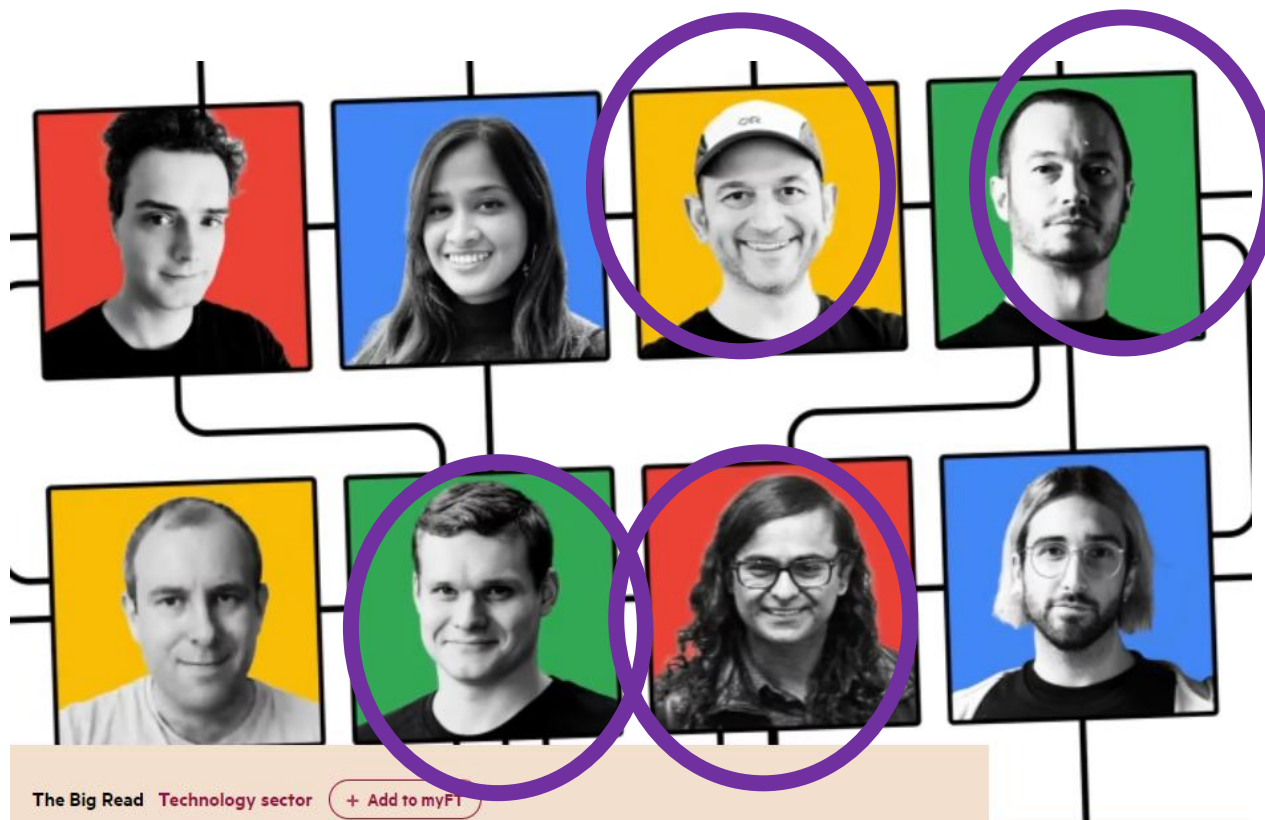
Ready... Set... Go!

- Read your objective and take 2 minutes to jot down your thoughts.
- Find someone in the opposite role to pair up with.
- With your partner, take 10 minutes to create your ad using the paper and pen given to you.
- Be prepared to present your ad in small groups!
- Large Group Reflection Questions:
 - Was it hard to use the “Yes, and...” principle? Why?
 - When were you most tempted to use the “taboo” words?
 - What did it feel like on the receiving end of “Yes”?

Leading a Culture of Ideas: Takeaways

- Good ideas can come from anywhere—and often the best ideas come from those who have different expertise and experiences than you.
- But as founders/managers/leaders, we are often hard of hearing. We tend to act on ideas that are more similar to our own, while ignoring the types of ideas we need to thrive as we scale.
- Defaulting to an inquiry mindset and starting with “Yes, and...” enables us to discover the value of an idea and fully develop its potential.

A Culture of Ideas in Action



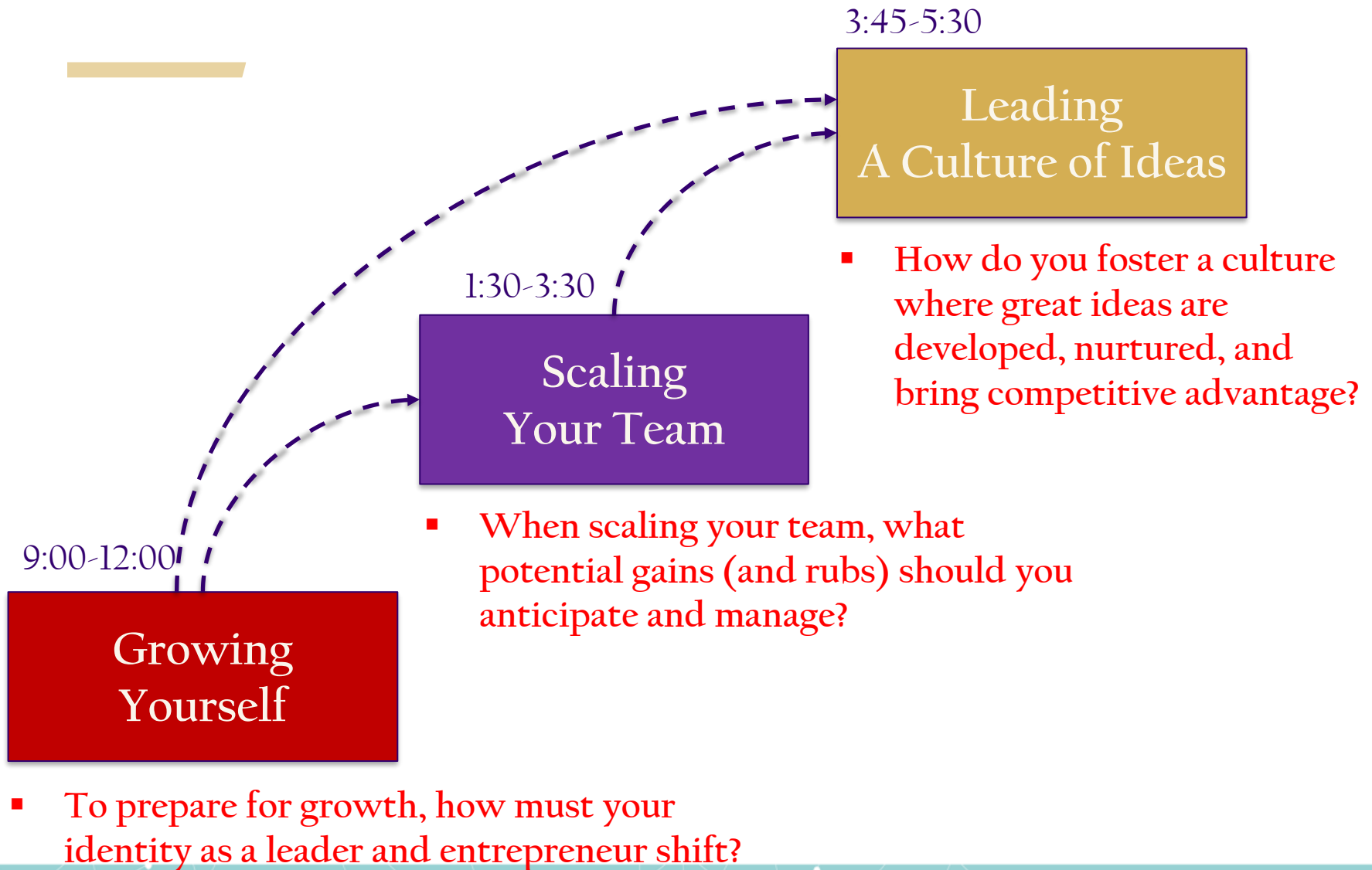
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Leadership Strategies for Scaling





Thank you.

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