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The Best is Yet to Come!
The Ted Rogers' Story: Nine take-home ideas for entrepreneurs

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the New Management Network™

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The Ted Rogers story: Nine take-home ideas for entrepreneurs

This essay shows how the principles of Talent Management used in sophisticated corporations can be harnessed by entrepreneurs to manage their careers, their companies and their people. In talent management work with corporations, the point is to identify people in their 20s and 30s who have high potential, and then ensure that they get the skilled knowledge and experience they need to actualize that potential. The basic principles apply to the entrepreneur, and they can make the entrepreneurial businesses grow better, with fewer flameouts, and less wreckage. The Ted Rogers story shows nine take-home ideas for entrepreneurs early in their career:

1. Compensate for missing skilled knowledge and experience in people management. 2. Learn the basics of leading an accountability hierarchy. 3. Match business trajectory, development paths of self and team. 4. Cultivate mentors. 5 Access sounding boards. 6. Manage tension between independence and accountability. 7. Understand that you are an entrepreneur. 8. Study strengths and weaknesses in your managment style. 9. Learn to be aware of how your attention is organized.

In December 2008, Canada lost its most creative and successful entrepreneur of the last century. Ted Rogers, founder, builder and CEO of Rogers Communications Inc. died at 75. Ted liked to say "the best is yet to come!" For him, this was inherently true to the end, because his mental powers just kept expanding. Only his body let him down.

Starting with his $85,000 purchase of the country's first FM broadcasting station in 1960, Ted created Canada's largest wireless company with 7.5 million customers, the biggest cable TV company with 2.3 million basic subscribers, 1.5 million high speed internet subscribers and 1 million home phone customers. In addition to these core businesses, today Rogers Communications Inc. owns 5 TV stations, 5 multicultural OMNI stations, 4 Sportsnet regional stations, the Shopping Channel, Biography, G4 Tech TV, Outdoor Life Network, 52 radio stations, 70 magazines and trade journals, and the Toronto Blue Jays baseball team and its Rogers Centre stadium. RCI has revenue of $11 billion, 29,000 employees and a market capitalization in mid 2008 of about $26 billion.

To the end, Ted Rogers was the chief executive officer, visionary, deal maker and driving force behind RCI.

From $85,000 FM station in 1960 to a $26 billion market cap in 2008

EXHIBIT 1		
Level	Time-span Range	Typical Roles
VIII	50 years plus	Super corporation CEO (Examples: GE, Exxon)
VII	20 – 50 years	International Corporation CEO
VI	10 – 20 years	Group Vice President, International Corporation
V	5 – 10 years	Business Unit President, CEO of mid-sized company
IV	2 – 5 years	General Manager, large plant manager, Vice President
III	1 – 2 years	Line manager, Department Director, senior professional
II	3 – 12 months	Front-line manager, Supervisor
I	up to 3 months	Front-line employee, lead hand

Elliott Jaques pioneered the Levels, and with Kathryn Cason and the US army, research supported it

In large organizations, there is a well known approach to "managing the turns"

Ted Rogers and the Levels of Human Capability

In the summer of 2008 Jim Fleck and Ian Stewart[1] – two other YPO/WPO colleagues of Ted – and I set out to explore Rogers' career through the lens of the levels of human capability. This is the breakthrough idea, pioneered by Elliott Jaques[2], that there are definite levels of cognitive capability or information processing corresponding to managerial challenges. These levels are shown in Exhibit 1. These levels are distinct from one another, and movement between them is marked by different ways of processing information. Passage between levels marks significant transformations for individuals. Elliott Jaques and Kathryn Cason have research supporting and illustrating the construct and it is also supported by substantial research by the US Army[3]. These levels are central to our own approach to *Talent Management* [4].

We could see from Ted's history in Caroline Van Hasselt's biography, *High Wire Act*[5], his likely transitions to a level IV FM radio pioneer at age 27, to a level V business unit CEO when he established Rogers Cable at age 34, to a level VI international business leader when created the largest Cable company in Canada, expanded in to the United States and created the world's largest cable company at age 47, shortly followed by a major venture into cellular telephones with Cantel. Another major transition occurred with the takeover of MacLean Hunter at age 60 and the practical integration of Rogers suite of businesses into a convergence of communications services. Here Rogers matured as a level VII chief executive.

the basic levels of human capability apply to the entrepreneur

These transitions between levels are illustrated on the Elliott Jaques *Talent Pool Maturation Data Sheet* in Exhibit 2. On this chart the several levels or Strata in an organization are shown on the left hand axis. The lines sloping up and to the right on the chart illustrate the natural path of development of cognitive capability of an individual, based on Jaques research. Someone like Ted whose career path can be traced to finish in Stratum VII is said to be a Mode VII individual, which is indicated on the right hand axis. In talent management work with companies, the point is to identify people in their 20s and 30s who have such high potential, and then ensure that they get the skilled knowledge and experience they need to actualize that potential.

You can see from Exhibit 2 why Ted could say "the best is yet to come!" At 75 he was operating at a high Level VII and looking forward to a transition to Level VIII in the next few years.

Levels of Entrepreneurship

However, entrepreneurs tend to self identify and make their own futures. So much less is known about entrepreneurs in these terms than about people in large organizations, like big companies or the US Army. In large organizations, there is a well known approach to "managing the turns". Charan, Drotter and Noel [6] describe six leadership passages, as follows:

From managing self to managing others [Level I to Level II]

From managing others to managing managers [Level II to Level III]

From managing managers to functional manager [Level III to Level IV]

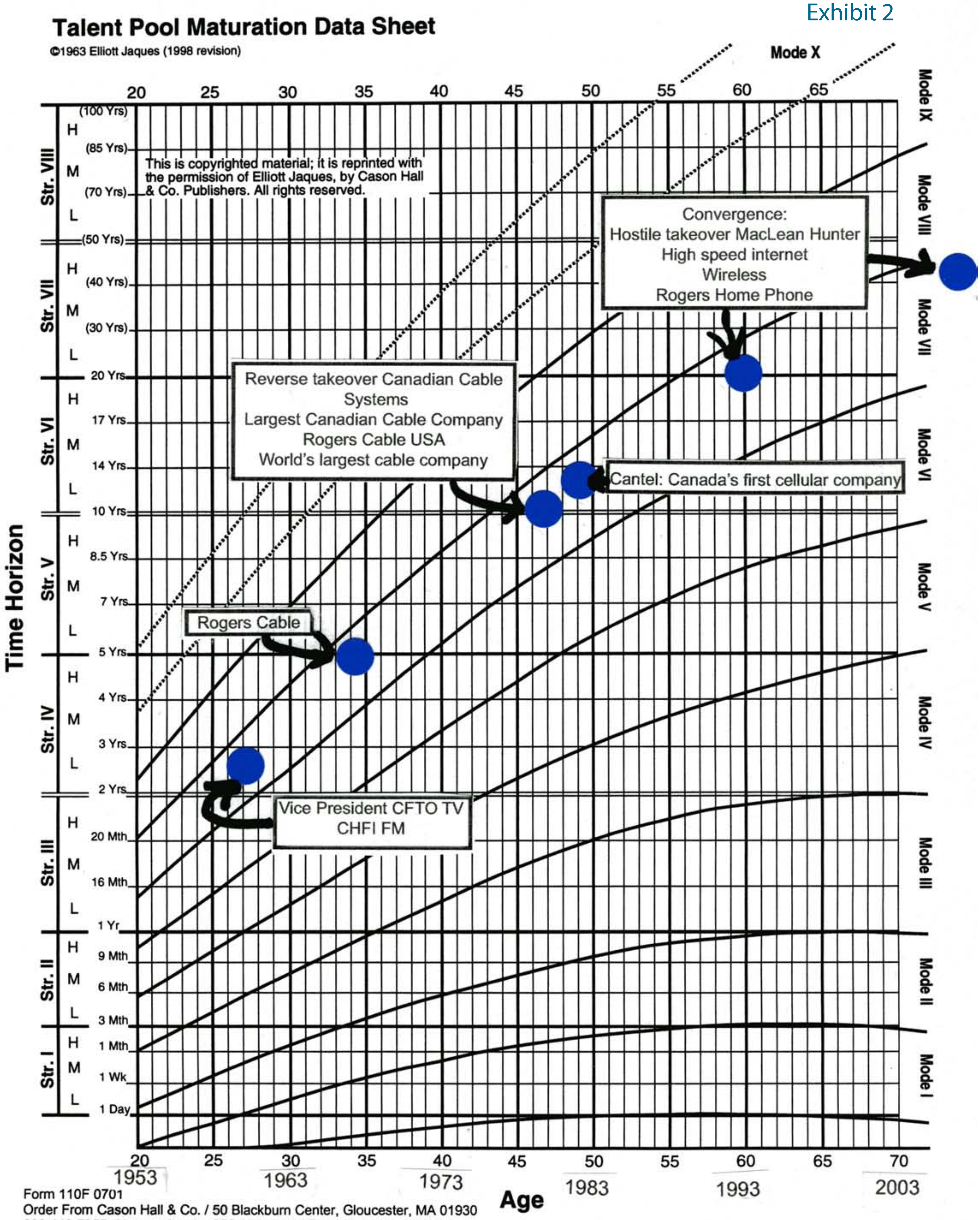
From functional manager to business manager [Level IV to Level V]

From business manager to group manager [Level V to Level VI]

From group manager to enterprise manager [Level VI to Level VII]

It is clear from the language of this list that we are dealing with a managerial system, where the basic constructs of the organization are clear, and that we are looking at an accountability hierarchy. For the entrepreneur, this is exactly the environment that he or she is bound and determined to escape. Elliott Jaques focused his attention on managerial work. He did not consider the entrepreneur directly, because he was interested in the relationship between levels of managerial work and wages or salary, and his concept of "felt fair

Exhibit 2



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pay". Yet the basic levels of human capability still apply to the entrepreneur. We just need to think about them differently. And if we can, we may find ways of making the entrepreneurial businesses grow better, with fewer flameouts, and less wreckage.

to make an operation grow... staff its leadership at a higher level

Jim Fleck, Ian Stewart and I were setting out to talk to Ted about his experiences at each of these thresholds: what did the transition look like to the entrepreneur at the time? This is ground that has never been covered. Unfortunately, this was a conversation that never took place.

The good news is that Ted Rogers did write some of it down for us, when in 2008 he published his succinct autobiography, *Relentless*[7] .

Level IV: Inventing Canadian FM Radio

In 1960 at age 27 and still an articling law student, Ted Rogers bought CHFI FM, an elevator music station in downtown Toronto, for $100,000. He had access to this opportunity because he had positioned himself by brazenly taking initiative with *Toronto Telegram* publisher John Basset to participate in acquiring the first private television license in Canada for CFTO-TV. As a part owner, and Vice President of CFTO-TV, Rogers was able to place his CHFI-FM antenna on top the new CFTO tower, sharply increasing the broadcast footprint for the station to a potential of 5.5 million listeners in southern Ontario and upstate New York.

Because there were almost no FM receivers at the time, Rogers contracted with Canadian Westinghouse to produce low cost FM radios for the potential market, and with a promotional price quintupled FM penetration in Toronto from 3% in 1957 to 15% in 1962. But Ted needed a sister AM station to attract advertisers, and set out to acquire an AM frequency. Doing so required fancy footwork with the regulator, as well as a very substantial investment in land for the AM antenna. Thereafter followed a complex juggling act involving daytime only AM broadcasts, to finally secure a working 24 hour AM sister station. Overall Rogers spent more than $1 million by 1965 to make it all happen.[8]

Level IV capability before he is 30 marks him as having the potential to lead an international corporation at Level VII in his career

The Level of a role is defined by its complexity. While there is no direct measure of role complexity, an objective proxy for complexity is the time span of descretion measured by the longest task in the role. These are suggested in Exhibit 1 for managerial roles. The Level that an entrepreneur is operating at is less clear. We usually say that a role cannot be designed by a person at the same level as the role. Rather it requires someone a full Level higher to do so. Some working in the field say that an entrepreneur is usually operating at at least one Level above the processes he is leading. And there is a principle in Requisite Organization that to make an operation grow one needs to staff its leadership at a higher Level, and that leadership will pull the operation up to that Level. While running a radio station would normally be a Level III role, Rogers' process of inventing FM radio in Ontario and getting a working business up and running probably required Level IV capability. In talent management work we would describe such a person as:

> Having current cognitive capability for parallel processing such as for general management, for parallel processing multiple interacting processes in a two to five year time frame, pacing them in relation to one another in resourcing and in time, making trade-offs between tasks in order to maintain progress along the composite route to the goal. Will do best in a role with a time span of discretion of up to 5 years.

This is a person who, while thinking in a symbolic verbal way as most adults do, is coordinating activities on several serial pathways. In mathematical terms, it is processing information in an if-then-and-only-then manner. In Elliott Jaques' terms:

> "It is no longer sufficient to pursue one path. You have to construct a number of serial pathways – and alternatives – all running at the same time and interconnected with one another; either by you yourself pursuing a number of different sub-projects simultaneously and connecting them; or by managing a number of subordinates each sailing energetically down his or her own pathway, keeping them in synchrony with one another in resourcing and on schedule, and guiding any or all of them into alternative paths when necessary."[9]

The two to five year time span of descretion is necessary to adjust matters in order to achieve synchronicity of the whole.

Seeing Ted with that capability before he is 30 marks him as having the potential to lead an international corporation a Level VII in his career.

Level V: The Cable Guy

Ted Rogers' next transition was into the cable TV business, starting with a $25 license in 1967 when Ted was 34 years old. This marked the transition from Level IV to Level V. Jaques posited that transitions between levels is a change of state, analogous to water changing to steam. The transition from IV to V is also where the currency of thought moves from symbolic verbal to conceptual abstract.[10] At Level V, an individual manipulates conceptual material to find solutions to practical problems where the range of concrete variables is so large as to be incapable of analysis. In talent management work we would describe a person at Level V as:

> Has current cognitive capability for unified direct action such as a business unit president, to drive the half dozen critical tasks to achieve a 5 - 10 year business plan, monitoring and assessing consequences of a changing business environment, steering the business to maintain profits at a reasonable level, customer goodwill, high morale, survival of the business with a growing balance sheet. Will do best in a role with a time span of discretion of up to 10 years.

Ted Rogers created the modern cable TV business in Canada, against a prevailing current , required very substantial capital investment, and was faced with a neophyte and ever-shifting regulatory framework. Rogers showed the declarative conceptual style of Level V[11] in his communication to the regulator, to his financial backers, to his partners, to the press and to his employees.

> "'He kept prodding,' recalled the late CRTC[12] chairman Harry J. Boyle. 'He didn't seem to know exactly where he was going, but he was going someplace. He had this bug in his bonnet about what cable was going to do, and everybody looked at him in amazement. They didn't want it to happen. But, he was absolutely convinced that cable was the future of the broadcasting industry. He's miles ahead of other people. Ted shone over all of them.' He remembered the first time Rogers appeared before the commission to talk about cable. 'He sailed into the business case, showing the potential for it, and it terrified the hell out of all of us.'"[13]

The transition to Level V is a change of state, analogous to water changing to steam

Conceptual abstract thought needs to link to the practical to be effective in a managerial setting. "Intangible thoughts and words can be used for coming up with solutions to problems only if they reach through their symbol word content to real things."[14] Indeed this ability to "drill down" marks an effective business unit leader. For Ted Rogers:

> "'He's the ultimate entrepreneur,' says [Gordon] Gray, who joined the Rogers board in 1971. 'A lot of entrepreneurs aren't detail guys, but Ted is. This is unusual for lawyers. I'm not critical of the profession, but for Ted to have such technical knowledge, such a passion for getting into the details, into the minute details, is unusual. There's not one little niche, or corner of his businesses, that he doesn't totally understand. His knowledge is beyond belief. I tell you, things were never dull at Rogers.'"[15]

By 1974, Rogers was the largest cable company in Toronto with 160,000 subscribers.

Level VI: Multiple and International Businesses

"I made the decision to step on the accelerator in 1977. In my Daytimer, I jotted down 'need new mountains to climb."[16] So began Ted Rogers transition to Level VI at age 44. In talent management work, we describe Level VI as:

"I made the decision to step on the accelerator in 1977. Need new mountains to climb"

> Having current cognitive capability for cumulative, conceptual abstract

building and reshaping a portfolio of businesses.

tasks, such as group EVP overseeing a portfolio of business units, attending to investment and divestment, evaluating political, economic, social, technological and intellectual events in a global environment to enhance balance sheet value and survival. Will do best in a role with a time span of discretion of up to 20 years.

At this level, attention shifts beyond the closed system boundaries of a single business unit and operates in an international environment with building and reshaping a portfolio of businesses. It is cumulative processing of abstract conceptual information.[17]

In this period, Ted Rogers engineered the reverse takeover of the larger and more sedate Canadian Cable Systems, which made Rogers a public company. Acquisition of British Columbia's Premier Cablevision made Rogers Canada's largest cable company. In 1981, Rogers expanded aggressively into the United States, financing cable systems and acquisitions with junk bonds, to become for a time the world's largest cable company. Then, Rogers divested the US cable business to invest with partners in Cantel, Canada's first cellular telephone business. In addition, Rogers invested in Unitel, a long distance competitor for the Bell system in Canada.

What once was a portfolio of businesses is now emerging as a meshing of synergistic services.

Level VII: True Convergence

There is currently considerable professional debate in the organization design field about Level VI and higher. North American experts tend to rate these roles higher than do specialists in Europe, Australia and South Africa. Elliott Jaques early work at Brunel University in the UK was the source of the European interpretation, while his later work in the United States involved expansion of the Levels hierarchy upward and gave rise to the North American interpretation. In addition, the European view suggests that Level VII work embraces global issues and takes place largely outside the organization, even though the resources in play may come from the organization. Perhaps John D. Rockefeller's and Bill Gates' turn into big time philanthropy are good examples of this. The North American view supports the idea that Level VII or higher leaders shape their business portfolios in more complex ways. Jack Welch at GE is thought to have been a Level VIII leader, for example, who morphed this venerable engineering company into a "people factory". For the general reader, these differences no doubt seem like fine points. But what is presented here is in the North American interpretation which sees Ted Rogers' development into Level VII in the Jack Welch tradition in the sense that Rogers' grasp of complexity lay in the integration of fast paced changes in both the technological and commercial environments facing Rogers Communications Inc. As his capability shifted from Level VI to Level VII he was able to transform a collection of businesses into an integrated whole.

In 1994 at age 61, Ted Rogers completed a hostile takeover of MacLean Hunter. MacLean Hunter published some 200 publications, owned the Toronto Sun newspaper chain and had cable holdings of 1.2 million subscribers in Canada and the United States.

> "RCI and MH were a study in contrasts. RCI paid no dividends, fearlessly leveraged its cash flow to leap into brand new businesses, regularly posted losses and took pride in walking the high wire with the banks but never falling off. MH studiously avoiding debt and espousing a strong balance sheet, delivered steady profits and regular dividends. But its earlier mistake of rejecting investments in the emerging cellular industry had come to haunt it. While cellular had lifted RCI's shares, MH's stock had flatlined as its growth had stagnated."[18]

Acquistion of this venerable Level VI Canadian corporation marked the passage of Rogers into Level VII capability as an individual and RCI into Level VII as a corporation. At the time, the theme of covergence was much in play in the communications industry in North America and elsewhere. It was thought that an integration of content and carrier was an inevitable winner.

The merger of Rogers MacLean Hunter

businesses set the stage for RCI's participation in the convergence play – whatever shape it might take in due course. MH's basic cable assets provided the business underpinning for the strategic position. In the 15 years since the acquisition, the convergence theme has morphed into one of wireless connectivity, broadband capacity, internet linkages, high definition television, and competitive cable-based telephone service. For Rogers, the focus is the individual customer and his or her various communication interests and needs. An integrated 'Rogers' market image is reinforced by ownership of the Blue Jays and their Rogers Centre ballpark, to say nothing of print, direct mail and TV advertising. What once was a portfolio of businesses is now emerging as a meshing of synergistic services.

In our talent management work we note that Level VII:

> Has cognitive capability for assessing serial strategic options and constructing alternative pathways globally, and for aligning and balancing functions and tasks for effective execution of required short, mid-term, and long-term tasks required for chosen strategies. Will be able to operate with a time span of discretion of 20 to 50 years.

Elliott Jaques stresses multiple strategic option pathways: "By possessing a range of optional pathways a CEO can adjust quickly and flexibly to the fibrillating vicissitudes of international business life…."[19] This capability for information processing is referred to mathematically as "IF-THEN" manipulation of conceptual abstract sets.

Ted Rogers set out in 2000 to strengthen Rogers' position vis a vis Bell Canada by acquiring Videotron in Quebec and swapping Rogers' western cable holdings for Shaw cable holdings in Ontario:

> "I came up with a two-pronged plan to mirror Bell's territory in Ontario and Quebec and beat her with superior bandwidth, immediately in Internet and cable-TV service and coming soon with home phone service. Bundling in wireless phone service would create the holy grail – or "quadruple play" – of communications services for customers.
>
> "Part of the plan succeeded, but the biggest part didn't. [The Shaw swap worked for Ontario, the Videotron acquisition in Quebec failed.] And, in hindsight, that was an incredible stroke of good fortune because the greatest success of my business life could not have occurred four years later had this two-pronged plan in 2000 been wholly successful. We simply would have been stretched too thin.
>
> "It is ironic: all my life I never operated with a grandiose plan but rather identified trends and technologies (FM radio, cable and wireless) and then seized opportunities as they presented themselves. This time I came up with a big plan and its failure opened the door to the ultimate opportunity that would turn Rogers Communications into an investment-grade company and ensure that the Rogers name remains at the forefront of Canadian communications for years to come – the fulfillment of my lifelong dream. I've always said successful entrepreneurs have to get lucky along the way, and we sure were when our plan got trumped in the first place, triggering other winning conditions."[20]

"I came up with a big plan and its failure opened the door to the ulitimate opportunity...."

The winning play came together this way:

> "The entire deal – adding up to almost $3.5 billion – came down to one week in September 2004. We negotiated a deal with AT&T [who had been blocking Rogers' attempt to buy Microcell], paying $1.8 billion cash for its stake in Rogers Wireless on Friday…. then returning to Montreal on [the next] Friday with the formal all-cash offer…. [besting a competing offer by Telus $1.4 billion to $1.1 billion]. In less than a week,

it is easy to forget the risks that were run the entrepreneur can see more clearly what is likely to transpire

> we spent a lot of money, got rid of a partner of eight years, added 1.4 million new customers and turned a competitor of about eight years into a partner."[21]

Looking at the Rogers business today, it is easy to forget the risks that were run and the near disasters narrowly averted in getting here. Risk is to some degree in the eye of the beholder. I have already argued that what seems like very high risk to an outsider may seem like a slam dunk to the entrepreneur. This is because the entrepreneur can see more clearly what is likely to transpire, and has a surer sense of how to navigate the perils. However, it would be misleading to imagine that the Rogers path to success looked like a sure thing to Ted at every step. There were periods where it was not clear to anyone, Ted Rogers included, that there was a way out of an impasse. When the CRTC required John Basset and the Eatons to divest of their cable interest in 1971, it was not at all apparent that Ted could find alternative financing to pay them off and move forward. Bankruptcy seemed imminent. In the mid 1990's, when Unitel floundered and Rogers walked away after losing $500 million, the markets hammered the Rogers stock and the way ahead was foggy at best.

It is impossible to tease apart good luck and intuitive brilliance in Ted's story. Because we know it ended in success we must acknowledge that we are dealing with the "survivor bias". We have no comparable record of a Ted Rogers who gambled and failed. Even Ted himself acknowledged that when he planned, he got it wrong. Yet the moves he had made positioned him to take advantage of the major breaks that came his way. When we are talking about capability, especially at these higher Levels, we are not talking about rational thought. Maybe Shakespeare had it right when he had Hamlet say "sicklied o'er with the pale cast of thought". My view of Ted is that he intuitively sensed patterns he could not articulate. and his ability to sieze the deal led him to precipitate a new reality out of the potential. He did this time and again. My bet is that Ted Rogers was more smart than lucky.

At age 75 he was on the cusp of yet another transition to Level VIII

As I suggested at the start of this essay, when Ted Rogers died at age 75 he was on the cusp of yet another transition to Level VIII. Given the business and financial strength of Rogers Communications today had he lived another decade he would have transformed the enterprise again into a global communications corporation or, who knows, moved on to reshape the international society.

Aside from the inspiration of the Ted Rogers story, what lessons does it contain that may be of useful to young entrepreneurs early in their career? I'm not talking about learning lessons from what Ted did, because he was operating in a different time and without knowhow that we now possess. Here are nine ideas today's entrepreneur might take home to enhance his or her path to success:

1. Compensate for Missing Skilled Knowledge and Experience in People Managment

The first thing that is obvious from Ted Rogers' story is that he went directly into business at Level IV when he was still an articling lawyer. What that means in developmental terms is that Ted skipped the first two levels of management: front line management at Level II, and manager of managers at Level III. In doing so he did not get the skilled knowledge and experience in people management that would otherwise be learned doing jobs at those levels. This is a problem in technical roles in larger companies, although in a smaller way. Where young engineers are hired they often start doing Level II technical work, and before long are promoted to full engineering roles at Level III without learning the basics of what we used to call "man management" or the fundamentals about supervising people. Experience in pulp and paper companies, for example is that this deficiency is never caught up – that as engineers are drawn into managerial roles they often lack basic skills in setting context for subordinates, in team development, in assigning tasks, coaching, evaluating and developing subordinates. There is evidence in the Ted Rogers managerial lore that suggests he lacked savoir faire in managing subordinates.

Entrepreneurs usually start businesses at Level III – or maybe at IV as in Ted's case – and they need to take steps to alleviate this skill deficiency in whatever way they can to improve their chances of success, or to head off the need to hand off the running of the business to somebody who has more experience as a manager. Some of this can be ameliorated by the basic training that is available in courses like “how supervise”. Another avenue can be through personal coaching from someone who has good people skills and managerial experience.

While the entrepreneur abhors the managerial accountability hierarchy for himself, he desperately needs it to support himself as his business succeeds and grows. So the deficiency in managing subordinates is compounded by lack of skilled knowledge and experience in ensuring the development of “subordinates-once-removed” – the people who work for his direct subordinates. The skills of assessing the potential of subordinates once removed, mentoring them and looking to their career development are also likely to be lacking.

2. Learn the Basics of Leading an Accountability Hierarchy

Implicit in these developmental problems are lack of basic skills in creating a well functioning managerial accountability hierarchy with its trust inducing and performance enhancing teamwork. Symptoms include inability to properly delegate tasks and hold subordinates accountable for results, and frustration when the organization doesn’t do what was expected but not communicated. The star pattern, where the boss deals directly with everybody, ignoring teamwork and failing to build collaborative relationships among subordinates is another symptom. A towering rage may be a frequent leadership pattern resulting from this frustration, which has an effect at odds with what is desired. Ted Rogers suffered from this problem, but in my experience was not alone as many, many entrepreneurs in a variety of settings are similar.[22]

3. Match Business Trajectory, Development Paths of Self and Team

Entrepreneurs who are on a fast track would do well to recognize the probable path that they and their business are on. In other words, it would be useful for an entrepreneur to chart his or her own career as it develops on the Elliott Jaques *Talent Pool Maturation Data Sheet* used in Exhibit 2. Doing so helps anticipate the state changes implicit in crossing the borders between levels. It might have helped Ted be more systematic in identifying the need for greater support at Level IV as he crossed the threshold to Level V at age 35. Of course, Elliott’s famous graph was not available then, but it is now[23]. Being clear about these transitions helps clarify muddy thinking about people. Ted liked to say he hired good people, hopefully better than him. Clearly that is not what he really needed. He needed people who were bright enough to grow with him in support, and the savvy to know when to go outside and hire in at a full level or two higher than his existing team to carry the potential of the company forward. A CEO friend of mine is fond of saying that the team that brought you here may not be the one to take you forward.

The other thing that Elliott’s graph can reveal is the possibility that the business will grow faster than the entrepreneur will develop. Where a business is based on a technology and set of market conditions that require expansion of capacity at a very rapid rate, there is a good chance that this will happen. This has often been the case in Silicon Valley, and venture capitalists have had to force higher-level management in.

4. Cultivate Mentors

There is a role in a managerial accountability hierarchy for the boss’s boss. This is the manager-once-removed who takes a longer term view of the subordinate-once-removed’s career potential, intervenes to enhance the development of that potential looking beyond the immediate and providing seasoned advice. Entrepreneurs being alone at the head of their venture miss out on this. Ted Rogers cultivated mentors to fill the gap. His step father and long time board chairman, John Graham, played this role. His early partner, *Toronto Telegram* proprietor John Bassett was a mentor in the early years. And the venerable John A. Tory was there to consult, and talk turkey to Ted when necessary over a long period of time.

There is evidence that Ted lacked savoir faire in managing subordinates

Entrepreneurs should recognize the probable path that they and their businesses are on one of Ted Rogers' greatest strengths was managing the tension between independence and accountability

5. Access Sounding Boards

The absence of formal hierarchial coaching and mentoring structures for the entrepreneur can be compensated for through peer groups. TEC (for The Executive Committee) groups were the pioneering form of this support, originating in California and now known in some places as Vistage. Ted's access to this important support was through the Young Presidents' Organization and their Presidents' Forum. For Ted, the YPO Forum was helpful as he developed his Level V cable business and through his transition to Level VI in his forties. He moved away from involvement in the Forum in his fifties, perhaps because he had outgrown many in the peer group.

6. Manage Tension Between Independence and Accountability

Another aspect of the Ted Rogers story is the tension between control and external constraint. In a managerial accountability hierarchy, everybody has a boss. Even the CEO is the employee of the board of directors, who have legal duties and a primary responsibility to appoint, support and when necessary replace the CEO. The CEO is clearly accountable to the board, even if he or she has much scope in practice to lead the company and the board takes the attitude that management proposes, while the board disposes. An employee gets much benefit from the coaching of the boss: a CEO gets much benefit from the advice, challenge and support of the board.

The entrepreneur always searches for change, responds to it, and exploits it as an opportunity

The entrepreneur may be all alone, especially when he or she is starting out. Indeed, the entrepreneur may be out there to pursue a vision that bosses could not see or that employers would not support. Ted Rogers had partners early on, in John Bassett and the Eatons. While he had access to modest amounts of financial support through his family, his businesses were capital intensive and he needed the outside financing his partners were willing to provide. It was not until his takeover of Canadian Cable Systems in 1979 that Rogers was faced with public shareholders and the governance requirements of a board of directors.

Ted always maintained voting control over the public company, by controlling the voting shares. Because of this, his board never really had the option of deciding his fate as CEO. However, the board took seriously its fiduciary duties in making major decisions, especially those involving large capital investments. The tension between what Ted the entrepreneur wanted to do and what the board was prepared to sanction was often real and dramatic. Often Ted yielded to the advice of his board. Sometimes he did not, opting to make the major investments from his personal holdings as he did with Cantel. When these investments proved their worth, he would roll them back into the pubic company at cost.

It may be one of Ted Rogers' greatest strengths that he was able to manage the tension between his drive for entrepreneurial independence and the value and the accountability inherent in good governance.

7. Understand That You Are an Entrepreneur

Sometimes people who are independent and creative do not recognize that they are, in fact, entrepreneurs. They believe, wrongly, that entrepreneurs are all and only about making money. A feature of requisite organization design is that it relies on clear definitions. We need to understand what an entrepreneur is. The late Harvard economist Joseph Schumpeter famously described the entrepreneur as the instigator of "creative destruction" in the economy[24]. His insight elevated the entrepreneur from one who combines the factors of production in economic theory to the engine and driver of economic growth. Confusion remains. "Entrepreneur" in Quebec, for example, means a construction contractor. Often inventors are called entrepreneurs, when they really are just inventors, and the real entrepreneur is the businessman who can turn the invention into a commercial success supported by an operating company that can deliver the goods. People who start small businesses or who are self employed may be somewhat entrepreneurial in nature but are not really entrepreneurs. Size or independence are not the issue. Ability to build a business is. Peter Drucker wrote in 1984 that "*...the entrepreneur always searches for change, responds to it, and exploits it as an opportunity.*"[25] The economist William J. Beaumol has integrated the entrepreneurial function into classical economic theory[26]. Both Drucker's and Beaumol's work have emphasized entrepreneurial innovation in larger firms. The Ted Rogers story is about the entrepreneur who works for himself and innovates through the creation and building of a business from the ground up, or out of a base of an existing small often family business.

Ted was never in any doubt about being an entrepreneur. Creating his first cable network on the roof of the dormitory at Upper Canada College when he was 16 years old, Ted retailed the signal to his fellow students for a fee. In *Relentless* he wrote:

> "Just as my father had found 25 years earlier that people would pay for crystal-clear reception from a radio plugged into an electrical outlet, I found people would pay to see crystal-clear TV programming. It also dawned on me that I shared my father's two great gifts, his passion for electronics and business acumen, but that my entrepreneurial side outweighed my interest in engineering wizardry. I would always enjoy the technical aspect, but I now knew unequivocally that at my core I was an entrepreneur."[27]

Ted Rogers was, in the end, enormously successful financially. Yet this was never his motivation. He wrote:

> "Money is nice, but ensuring a legacy is nicer. Besides, I liked being in a pressure cooker. Henry Parker, the deep thinker who was my father's friend and colleague once told me, 'The only creative thing is aggressive imagination in action.' I couldn't just turn the tap off; there was too much to be done."[28]

In this, Ted reflects the nature of the entrepreneurial style. Whole Foods co-founder, John Mackey, has written:

> "I've known many entrepreneurs in my life, and with only a few exceptions most did not create their business primarily to maximize profits. Of course they wanted to make money, but profit was just one of the reasons they started their business. The following are plausible scenarios for why entrepreneurs create businesses. Perhaps the entrepreneur was unable to work for anybody else, had strong authority issues, and therefore need to be his or her own boss. Or they needed to be in charge of their own enterprise because that is how they derive their sense of self worth, value and self-esteem. Maybe the entrepreneur has something to prove to their parents, siblings, or friends and creating a successful business will exorcise unconscious childhood demons. It could be that the entrepreneur is very creative individual who has ideas that he or she wants to see tested in reality to see whether they work. Possibly the entrepreneur is an idealist and wants to make the world a better place – and their primary motivation for creating a new business is to improve the world. Some entrepreneurs likely create a new business for the sheer fun of it. There are many reasons people create businesses. There are certain entrepreneurs who create a business primarily to maximize profits, however in my life experience they are definitely a minority."[29]

The thing about a high mode individual like Ted Rogers is that they can see things that others cannot. For them there is a clarity about how things can come together in the future than may not be easily explained, or reduced to a plan or a set of specifics that can be persuasive to another who cannot grasp the pattern. This is why so often the high mode entrepreneur may appear to take on huge risks in the face of uncertainty. For the entrepreneur there is risk, certainly, but there are patterns the high mode entrepreneur can see that make the risk seem very much smaller to him. The difference in perception described here explains a lot of things about the high mode entrepreneur, such as why they cannot work

Ted was never in any doubt about being an entrepreneur.

a high mode individual like Ted Rogers can see things that others cannot.

Tenacity and perseverance are the way to success

for somebody who can't see the pattern, why they make bankers nervous, and why they can succeed by navigating through a risky environment. Ted Rogers has made the point that he has borrowed more than $30 billion in his career, yet no lender has ever lost a dollar in principal or interest on these borrowings. Remarkable!

Ted Rogers wrote:

> "If my dad had lived a normal lifespan, I am sure I would not have had that emotional drive. This is proven time and again. If your drive is simply to make money, it peters out after a while. It is not sustainable."[30]

One of the principles in talent management work is to understand the motivation of the individual: what drives him or her to push the biggest possible rock up the hill, to propell them to make the very most out of their potential. For Ted the goal was always very clear.

Ted's father died when Ted was 5 years old, and the family subsequently lost the CFRB radio business Edward senior had pioneered. From age eight, encouraged by his mother, Ted dreamed of re-establishing the Rogers name in broadcasting. This was his dream and focus. From launching his first music company at age 17, through partnering with John Bassett to get the first private TV license for CFTO at age 25, to the contemporary ubiquity of the Rogers name in Canada, this was the goal.

Ted Rogers would likely be a PaEi, with the Entrepreneur's instinct and the Producer's drive

> "All my life, almost from birth, I have been battling poor health of one sort or another. Only after age seven was I expected to survive. But I've learned never to give up and to keep my hand on the tiller of the company as long as possible because I love it so much. I am a hands-on-detail-oriented manager fighting the odds, whether in business or in health, always believing and hoping that the best is yet to come….
>
> "If my life has a lesson for others, I think it is that everyone has a shot. Don't follow a dream; live it. No matter what it is you want, take your best shot. Be passionate and work hard, maybe harder than you ever dreamt, but the opportunity is there."[31]

Ted's formula was:

> "Chart a course and act decisively and quickly
>
> Be flexible and always have backup plans for when things go against you (as they surely will at times).
>
> Respect risk, but never fear calculated gambles or using leverage to attain objectives.
>
> Never underestimate your opponents or let their dirty tricks distract you.
>
> Tenacity and perseverance are the way to success."[32]

8. Study the Strengths and Weaknesses in your Management Style

In talent pool work it is important to explore and understand aspects of personality and style, so that inherent strenghts can be honed and potential blind spots foreseen and avoided. The following keys to self knowledge are a useful assist to an understanding of potential capability.

Ichak Adizes of the Adizes Institute in California asserts that "…a certain part of the entrepreneurial spirit is a born characteristic, like a talent for music or athletics."[33] In our talent management work, we ask individuals to describe their preferred style along the lines proposed by Adizes in his Producer/Administrator/Entrepreneur/Integrator managerial functions (PAEI), as follows:

> **PAEI Profile**: describes style in terms of four management functions. Individuals usually have two dominant functions, and two less well-developed, such as PaEi, or pAeI and other combinations.
>
> **Producer:** The ability and energy to focus on a task and follow through relentlessly on its completion.
>
> **Administrator:** The ability to or-

ganize and apply system to the work, to routinize it, and to plan its completion in an orderly fashion.

Entrepreneur: The ability to think outside of the box, to find creative new ways of approaching the job and to stick with a new idea in the face of resistance.

Integrator: The ability to engage other people and to lead them, to bring them together in a cohesive team, and to inspire teamwork.

In these terms, Ted Rogers would likely be a PaEi, with the Entrepreneur's instinct and the Producer's drive being the dominant strengths. This is not to say that Ted's Administrator or Integrator abilities were absent. Adizes sometimes describes the rampant entrepreneur as an arsonist, throwing hand grenades of change into his organization. Ted may have had some of those tendencies, but he knew better. In 1988 he described the most important principles for successful entrepreneurship to be: "Hard work, thorough preparation, detailed knowledge, careful planning, tight organization, strong leadership, controlled energy, good instincts, and an innate ability to deal."[34] This passage suggests disciplined attention to strengthening his Administrator function. His ability to deal reflected his skills with people. Ted also had an enviable record for retaining key executives over a long period of time, suggesting a strength as an Integrator. Phil Lind, John H. Tory, Colin Watson, George Fierheller, Alan Horn, Nadir Mohamed, and Graham Savage are examples.

9. Learn to be Aware of How Your Attention is Organized

Another important aspect of Ted Rogers' style was the way his attention was organized. He was, according to the Enneagram system of personality style, an Enneagram Eight, a boss, or a leader, a type who strives for control. This pattern of attention is important to understand for the entrepreneur because it is largely outside of awareness and creates blind spots. Two descriptions of Ted's Boss-style habitual focus of attention are:

"Asserts control over self and the environment, known for being powerful in the world, and living with intensity. This may lead to excessive conflict and disrupted working relationships."[35]

an Eight with a Seven wing, or control oriented with the creative, exploratory aspect

and:

"When Eights are at their best, they are strong, assertive,persistent, tenacious, seeking challenges, action-oriented with a take-charge attitude and enormous determination and will-power to triumph over all obstacles and be influential in their world. When under pressure, they become hostile, vindictive, defiant, emotionally insensitive, desiring to control and dominate people and situations to get what they want, or exploiting people and situations by taking what they want by force and/or cunning."[36]

A common problem with Enneagram Boss executives is a tendency to micromanage. Ted had a reputation of being in very detailed control of the various elements of his growing empire:

"When Ryerson University changed the name of its business school to the Ted Rogers School of Management, my good friend John H. Tory…said it should have been named the Ted Rogers School of Micromanagement."[37]

The Enneagram is a circumplex model, which means that personality types are laid out around a circle with adjacent types sharing affinities. A common entrepreneurial business leadership style is a Boss with an Epicure wing, or control oriented core with the creative, exploratory aspect. That describes Ted. An aspect of Enneagram Epicure is an ability to synthesize from a variety of apparently unrelated things. Ted wrote:

This pattern of attention is largely outside of awareness

"This ability to listen and connect the dots may be the greatest gift my father gave me. Over the years he would visit laboratories and factories, take the best idea from each one, add his own versions and ideas and bring it all together. I've tried to do the same in my business life. People say to me, 'How improve awareness of a true intuitive hit as opposed to wishful thinking

could you possibly come up with all of this?' I tell them that I listen, I write a lot of notes and I ask someone to write background papers for me. Then I ask another person to write a background paper on something that is relevant or related but not the same. And then I sort of put it all together."[38]

Action-oriented entrepreneurs sometimes resist the introspection implied in exploring the Enneagram. However there are payoffs for doing so. Part of what exploring one's own attention does is increase skill in discerning between projection and intuitive insight. Peter Drucker argued for systematizing innovation, and relying on data gathering and analysis rather than moving from feelings, which he thought were often wishful thinking. Ted certainly displayed this approach to analysis and preparation in all of his work. Yet every successful entrepreneur recognizes that intuitive feelings play a role in their success. Systematic self-study of how attention is organized can improve an entrepreneur's awareness of what is a true intuitive hit as opposed to a projection of wishful thinking.

The Nine Take-Home Ideas Going Forward

many of the take-home ideas outlined in this paper we simply not available to him.

When Ted Rogers started on his entrepreneurial voyage fifty years ago, many of the take-home ideas outlined in this paper were simply not available to him. All of the Elliott Jaques work on the science of organizational levels had yet to emerge from his work at Glacier Metals in the UK. The YPO Forum was not available in Toronto until 1978. The Adizes work on PAEI profiles did not emerge until about the same time. And the Enneagram was just emerging from Oscar Ichazo's insights in Chile in the 1970's.

Mentors Ted had. His supportive bankers, Dick Thomson and Robin Korthals at the Toronto Dominion Bank, along with his public shareholders, helped him get the proper balance between independence and accountability. And while Peter Drucker did not write his definitive work on entrepreneurship until the 1980's there was never any doubt in Ted's mind about his identity as an entrepreneur.

Yet we see in Ted Rogers' story that all of the nine take-home ideas would have been helpful to him. And for the entrepreneur looking forward to building his business in the next twenty five years, these ideas about organization structure, talent development, and personality are technologies that will be valuable going forward.

End Notes

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17. Mathematically, AND manipulation of the conceptual abstract.

18. Caroline Van Hasselt, *op. cit*., p. 320.

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