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Easy Come, easy go: the turbulent life of the entrepreneur-founder

It happens all the time. An entrepreneur turns a brilliant idea into a fast-selling product, pulls in money from venture capitalists, and is suddenly the CEO of a successful company. Several years later they're out the door—resigning for “personal reasons” or to “accept new challenges.”

“When you see that, it’s usually because people have been pushed out,” says John Challenger, CEO of Challenger, Gray & Christmas, an outplacement firm based in Chicago. “People usually don’t just up and leave.”

The Greek Cypriot founder of EasyJet, a low-cost airline based in London, may have been one of the latest victims of that familiar top-level management scenario.

Stelios Haji-Ioannou established EasyJet in 1995 with about \$58 million of his family’s money. He swiftly built the company into one of Europe’s largest low-cost air carriers. But last month the Greek shipping heir announced he plans to resign as chairman at the company’s next annual meeting in March 2003.

Boardroom watchers agree that the skills—such as creativity and vision—that make a man or woman a successful entrepreneur don’t always translate into the skills needed to keep a company operating and growing. Innovative ideas are also not enough to take a privately held company public and satisfy the demands of shareholders and Wall Street analysts.

“It’s very rare for a company to have one person who can see a company through more than one phase,” says Nat Stoddard, chairman and CEO of Crenshaw Associates, an executive outplacement firm in New York City. “And then people lose interest. They don’t want to deal with the company when it runs into bigger problems.”

Analysts point to Bill Gates, who handed the CEO post at Microsoft to Steve Ballmer more than two years ago as an example of an executive who wanted to step away from the day-to-day activities and focus on the company’s vision.

Many founding heads of dot-coms haven’t fared as well. Like the creative geniuses behind Yahoo!, Jerry Yang and David Filo, they frequently end up on the sidelines once the shareholders and board decide they want some changes.

—Paula L. Green