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Ego is the Enemy

By **Dan Huckabay**, President, Commercial Surety Bond Agency



I've just finished reading a fantastic book by Ryan Holiday entitled, *Ego is the Enemy*. Holiday goes into detail about the various ways ego sabotages our efforts and how it often

does so in a subtle and elusive way like water rotting out the foundation of your home.

All of us have egos particularly those with ambition. So, it's not a matter of whether we have an ego, it's a matter of whether we are aware of it and how we let it influence us.

Holiday says, "Ego inhibits true success by preventing an honest and direct connection from the world around us." In other words, if we don't have an honest perspective about ourselves and the world around us, how can we possibly make clear decisions?

Holiday says ego is most prominent when we aspire, gain success, and sometimes fail. I found the first two particularly relevant in today's improving construction market.

Aspire

Many of us are taught from an early age that we can be anything we want if we just work hard and put our minds to it, but is that really true? I know it's not for me. I think I'm a very capable bonding agent, but I could no more be the President of the United States than I could be a professional baseball player. That's not a lack of confidence on my part, it's just what I know about myself.

A great example used in the book is General William T. Sherman. Sherman wasn't a career military commander before the war, but he impressed President Lincoln who promoted him to brigadier general on August 7, 1861, after the Battle of First Manassas. Sherman accepted the new assignment but asked that Lincoln not promote him to top command, because he knew what his talents were and where he could be most impactful. After the war was over, Sherman never sought public office despite being extremely popular and encouraged to do so.

Bottom line, it's okay to stay within our capabilities both as individuals and organizations. That doesn't mean we don't push our limits but knowing where those limits are is critically important. Warren Buffett refers to that as knowing your sphere of competency.

One of the ways we can establish limits in business is by maintaining certain standards for things like margins and profits. Some contractors want to grow for growth sake not because it makes sense and will result in more profit, but because they think bigger is always better. With more and more work coming out in the market, this line of thinking will be increasingly tempting and maintaining a standard for margins and profit is a great boundary to avoid this common trap.

Success

When we have any success, the ego can perhaps be the most dangerous. We start telling ourselves a story, taking all the credit and convincing ourselves that we can do anything.

As a check against an ego running amuck, my mentor always suggested to me to have people in my life that will be completely honest with me. They serve as a sounding board to help me think critically and get back on track when needed. For contractors, I always suggest making sure their professional service providers – bonding agent, CPA, banker, etc. – are open and honest. Otherwise, they are just "yes" men and women and are not likely to say a word of caution as you drive off a cliff.

While services providers can be a great resource, I am also a big believer in having mentors or advisors that are not paid and have no skin in the game. As impartial as one can try to be, it can be difficult when money is a factor.

Construction expert Dr. Thomas Schleifer has studied thousands of contractor failures and has concluded that the top reason behind them all is management decisions. Behind those bad management decisions, you can be sure ego played a role in some if not all. So, as we continue riding the economic wave up, we should be more vigilant than ever to keep our egos in check. ■