Why the founder becomes the bottleneck, and how decision rights fix it

Why decisions pile up on the founder as a business grows, and how decision rights, thresholds and a weekly rhythm move them to accountable leaders.

Hashir I. Qureshi, Co-founder and managing partner

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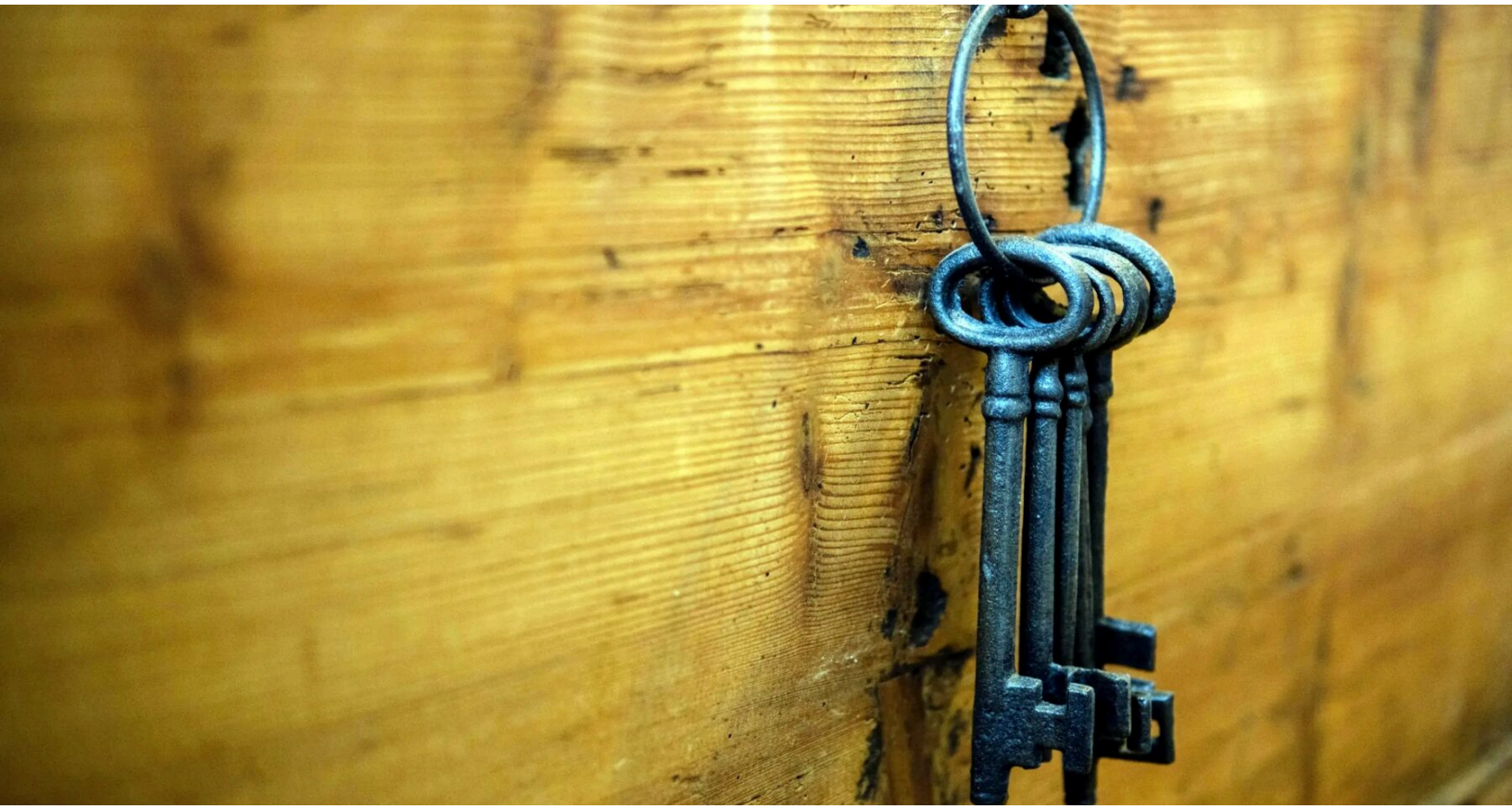

In brief

A founder becomes the bottleneck because any decision without a named owner defaults to the most senior person in the business. Decision rights fix it: write down who decides what and up to which limit, put accountable leaders in those seats, and run a weekly rhythm that keeps decisions with them. One brand cut founder involvement from more than 35 hours a week to under 10.

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Why does the founder become the bottleneck? Because any decision without a named owner defaults to the most senior person in the business, and in a founder-led business that is one person. Decision rights fix it by writing down who decides what, up to which limit, and holding those leaders to it in a weekly rhythm, so most decisions never reach the founder.

This article is for founders, owners and CEOs whose business still runs through them, and who suspect growth has stalled at their own calendar.

01

Signs your business runs through you

The bottleneck rarely announces itself. It shows up as small, reasonable habits.

- Your inbox fills with questions people could answer themselves, often opening with “just checking”.

- Leaders bring you decisions that sit inside their own budget.
- Pricing exceptions, refunds, hires and supplier changes wait for your reply.
- A week away produces a backlog, not a quiet week.
- Your leadership team describes their jobs in tasks, not outcomes.

If three of these sound familiar, the business is running at the speed of one person's calendar. That is how the business was built, and it worked until it stopped.

02

Which decisions reach the founder, and why

Decisions reach the founder by four routes, and each route needs a different fix.

Decisions nobody owns

When no one has been told a decision is theirs, the safe move is to ask. Each choice is rational. Together, they route the whole business through one desk.

Decisions owned on paper, with no limit

A leader may own purchasing, but if nobody has said up to what amount, every large order goes up for a check. Ownership without a threshold is a title, not a decision right.

Decisions people bring to be safe

If the founder has overruled a leader in front of the team even once, everyone learns that a decision is final only when the founder has seen it. People start bringing decisions they are allowed to make.

Decisions the founder pulls back

Founders reach in. They see a price or a campaign and decide. Each time, the owner learns that ownership is conditional.

Only the first route is solved by writing things down. The other three need thresholds, the right people in the seats and a founder willing to send decisions back.

03

Why growth stalls at the founder

A business moves only as fast as its slowest approval. When one person holds most approvals, their hours become the ceiling, whatever the market would allow.

One founder-led consumer brand in our case library hit that ceiling at $8M in annual recurring revenue. Every decision ran through the founder, who was spending more than 35 hours a week inside the business. Working with the founder, our team gave each area an accountable leader and set out explicit decision rights. The brand grew revenue from $8M to $18M within 14 months by redesigning who decides, and founder involvement fell to under 10 hours a week.

The wider evidence points the same way. Gallup's State of the Global Workplace report, released in April 2026, found that manager engagement fell from 27% to 22% in 2025, nine points below 2022, and that managers are now no more engaged than individual contributors. Gallup's data does not diagnose any single business. But a manager title with no authority to decide is a hard job to care about.

The second cost is the bench. DDI's 2025 HR Insights Report, drawn from 2,185 HR professionals and 10,796 leaders, found that on average only about half (49%) of critical leadership roles could be filled immediately by internal candidates. Where the founder makes every call, nobody else practices making them, so when the founder wants to step back, no one is ready to step up.

04

How to write decision rights with thresholds

An org chart says who reports to whom. Decision rights say who decides what, up to which limit, and whose input is needed first. They sit at the center of our people and organization work, and the steps are simple to state.

1. **List the recurring decisions.** Go through the last four to six weeks of your calendar, inbox and chat, and write down every decision you were asked to make. Most will repeat.
2. **Give each one a single owner.** One name, not a committee. If two people could own it, pick one and ask the other for input.
3. **Set a threshold.** The owner decides up to a limit: an amount, a level of risk or a degree of reversibility. Decisions that are easy to undo can sit lower.
4. **Say what goes up.** Decisions above the threshold, conflicts between areas, anything that cannot be undone and anything new to the business go to the founder or the leadership team.
5. **Publish it and enforce it.** Share the matrix with everyone it affects. Then take the hardest step: when a decision below the threshold reaches you, send it back to its owner.

Here is an illustrative excerpt. Your owners and limits will differ. The structure should not.

Decision	Owner	Owner decides up to	Goes up when
Customer refunds and credits	Head of customer service	A set amount per order	Above the limit, or any legal issue
Discounts and pricing exceptions	Head of sales	An agreed discount off list price	Below the margin floor
Supplier orders	Head of operations	The approved budget for the category	Over budget, or a new supplier
Hiring within approved headcount	The team's leader	Pay within the approved band	A new role, or pay above the band
A new senior role	Founder and leadership team	Not delegated	Always decided at the top

The consumer brand case puts the lesson in one line: ownership without decision rights changes little. If leaders do not know which decisions are theirs, the questions flow straight back to the founder.

05

How to put accountable leaders in the seats

Decision rights need someone able to hold them. Define the seat, then fill it. Each senior role needs a written charter before anyone is recruited: the outcomes it owns, the decisions it holds, the scorecard it reports and a plan for its first 90 days. A role defined by tasks becomes a second pair of hands for the founder.

Sequence matters as much as definition. At a pre-owned electronics retailer run by its founder with no executive layer, our team recommended a COO rather than a CEO, because the business was not yet systemized enough for a CEO, and recommended making the appointment after the accountability and operating model work. We built the hiring process from scratch, with scored interviews and a case assessment. The first appointee was exited after about seven months, and delivery slowed in that time. A second search used the same process, and that leader remains in post. The case on a first executive hiring system and a COO in post is candid about both outcomes.

Below the senior team, separate ownership from execution. In one retailer's operating model work, tasks lived in messaging apps and spreadsheets, and decision rights were held informally. Our team gave managers ownership of planning and

accountability, gave supervisors day-to-day execution, and drafted service-level agreements for key managers linked to procedures, job descriptions and key result areas. The case on moving from founder-led firefighting to a clear management system shows the result: clearer manager responsibilities and better visibility into who owned what.

06

The weekly operating rhythm that keeps decisions with their owners

Decision rights decay without a rhythm. Within weeks, an unclear case goes up, the founder answers it, and the old habit is back.

Gartner's research favors routine over inspiration. In July 2025, Gartner reported that only 32% of mid-to-senior business leaders said the last change they led achieved healthy adoption by employees. Its model predicts that when leaders routinize change, employees are three times more likely to adopt changes on time and in a healthy way. A weekly cadence is how routine gets built. It has three layers:

- **A weekly leadership review of 60 to 90 minutes.** Each leader brings a short scorecard, the decisions they made and anything above their threshold. The meeting ends in decisions, each logged with an owner and a date.
- **A monthly decision rights check.** Look at what went up that should have stayed down. Adjust thresholds, and raise them as leaders prove their judgment.
- **A quarterly review of priorities and seats.** Confirm next quarter's outcomes and whether each seat has the right person in it.

Two rules make the weekly review work. The founder asks questions and lets the owner answer. And a below-threshold decision that reaches the founder goes back to its owner in the meeting, so everyone sees the rule hold. The retailer case makes the same point: role documents reduce ambiguity only when leadership enforces them consistently.

Track one number for yourself: the hours you spend inside day-to-day decisions each week. At the consumer brand above, it went from more than 35 to under 10.

07

Where AI helps with decision rights, and where it cannot

AI is useful around decision rights, though it cannot write them. Three uses hold up well:

- **Meeting and decision logs.** AI note-takers can turn a weekly review into a draft log of decisions, owners and dates. A person confirms it before it is shared, because a misheard owner is worse than no log.
- **Weekly scorecards.** Automations can pull each leader's numbers from the systems that hold them and flag what moved, so the meeting starts with the facts.
- **Routing routine approvals.** Once thresholds are written down, requests below a threshold can go straight to their owner, with a record of who decided.

What AI cannot do is decide who owns what. That is a judgment about people, trust and accountability, and it belongs to the founder and the leadership team. Nor can it stop a founder pulling decisions back.

The not yet conditions are specific. Not yet, if the decision rights are not written down: routing an unwritten rule only automates the founder's queue. Not yet, if the data behind the scorecard is unreliable. And never without a person signing off where an approval moves money, reaches a customer or changes a record. Gallup's same 2026 release notes that, in its U.S. research, manager-led initiatives are a key driver of frequent AI use. That is one more reason to settle ownership first. It is also why most AI pilots fail to deliver financial returns: no named owner for the number.

Armstrat is an official partner in eight AI and enterprise platform programs, and our AI and intelligent automation work follows the same order: write the rules down, then automate them. Our guide to why AI needs your operating knowledge written down first explains why.

08

What we will not do to fix a founder bottleneck

Honest enough to say not yet applies here too. We decline two requests, even when a founder asks for them first.

- **No reorganization to fix a strategy problem.** If the leadership team does not agree on where the business is going, a new org chart only moves the disagreement into new boxes. We settle the direction first, or we say plainly that the restructure should wait.
- **No senior hire before the role is defined.** A senior hire made to relieve the founder, without written outcomes, decision rights and a scorecard, tends to become an expensive assistant or an early exit.

Armstrat is a Business Transformation Office (BTO™) that embeds forward-deployed engineers (FDEs) inside a client's business and focuses solely on delivering outcomes. For a founder bottleneck, that means agreeing the outcomes and measures before work starts, such as the founder's weekly hours and the growth that follows, then building the decision rights, seats and rhythm with your people and staying until they hold. Most engagements begin with a diagnostic of two to four weeks. A base fee covers delivery, and a contingency is paid on results. Questions about how results are measured are answered, with sources, on Ask Armstrat.

09

Frequently asked questions

Why does the founder become the bottleneck as a business grows?

Because decisions without a named owner default to the most senior person, and in a founder-led business that is the founder. Early on, that is fast. As the business grows, decisions multiply faster than one person's hours, so approvals queue and leaders wait. Growth then stalls at the speed of the founder's calendar.

What are decision rights in a business?

Decision rights are a written record of who decides what, up to which limit, and whose input is needed first. An org chart only shows reporting lines. Good decision rights give each recurring decision one owner and a threshold, and say clearly which decisions go up to the founder or the leadership team.

How do I set decision thresholds for my leaders?

Start with the decisions you were asked to make over the last four to six weeks. For each one, set the limit the owner decides up to: an amount, a level of risk or a degree of reversibility. Start conservative, review thresholds monthly and raise them as leaders show sound judgment.

Should I hire a COO to fix the founder bottleneck?

Not before the role is defined. A COO needs written outcomes, decisions to own and a scorecard, or the hire becomes a second pair of hands for the founder. In one Armstrat engagement, the team recommended a COO rather than a CEO and sequenced the appointment after the accountability structure it would run.

How long does it take to stop being the bottleneck?

It depends on how many decisions sit with you and how quickly accountable leaders are in their seats. Most Armstrat engagements begin with a diagnostic of two to four weeks. In one published case, a founder-led brand grew revenue from $8M to $18M within 14 months, and the founder's involvement fell from more than 35 hours a week to under 10.

Can AI handle routine approvals instead of the founder?

Partly. Once thresholds are written down, AI can route requests below a threshold to their owner, draft decision logs and assemble weekly scorecards. It cannot decide who owns what, and it should not approve anything that moves money, reaches a customer or changes a record without a person signing off.

Written by

Hashir I. Qureshi

Co-founder and managing partner, Armstrat

Hashir is Armstrat's managing partner. He runs senior client relationships, sets the firm's positioning and methodology, and decides which engagements Armstrat takes on, and which it turns down. Before founding Armstrat, he led restructuring across retail and supply chain businesses, owning the ERP, the cost structure and the operating cadence that runs across them.

About Armstrat

Armstrat is a Business Transformation Office (BTO™). A partner leads every engagement, and forward-deployed engineers (FDEs) work inside your business across five capabilities: business transformation; operations and supply chain; people and organization; growth, marketing and sales; and AI and intelligent automation.

Engagements are a base fee plus a contingency paid on results, not on documents. We use AI only where it earns its place, and we say not yet when a business is not ready for it.

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