

THE RELATIONSHIPS THAT BUILD A COMPANY

Trust, delegation, responsibility: the invisible pact that holds a company together

On how trust is built with a business partner and with one's own people — and how delegation and responsibility are two sides of the same choice.

POINT OF VIEW

October 2026

Armando Donazzan
President, Orange1 Holding

In my life as an entrepreneur I have signed many contracts. Bylaws, shareholder agreements, powers of attorney, proxies. They are indispensable documents: they set the rules, bring order, provide protection. Over time, though, I understood something no notary had ever told me — and in business, the unexpected is the norm.

“The contract governs the predictable; trust governs everything else.”

This reflection stems from two relationships that every entrepreneur, sooner or later, must learn to cultivate: the one with a business partner, and the one with the people who work for the company. They differ in nature, but rest on the same three pillars: trust, delegation, responsibility.

The partner: the net and the tightrope walker

A well-drafted shareholder agreement is like the safety net beneath a tightrope walker: it must be there, but if it is needed every day, the problem

is not the net — it is the balance. The numbers, for that matter, are clear: Noam Wasserman, who at Harvard studied around ten thousand company founders, found that 65% of high-potential startups fail because of conflicts between co-founders. Not because of the product, not because of the market: because of the people. And my own experience tells me this holds just as true for manufacturing and family businesses as it does for startups.

How, then, is trust between partners built? Scholars Mayer, Davis and Schoorman broke it down into three ingredients: ability, benevolence, integrity. Translated into the language of business: I trust you if you are good at what you do, if you are not only playing for yourself, and if you do what you say. When trust between partners cracks, almost always one of these three threads has snapped.

In practice, I have learned three rules. The first: systematic transparency. The numbers are shared, all of them, always, with no reserved areas — among partners, trust dies from omission before it dies from lies. The second: the rules are written when things are going well. Agreements, delegations and exit mechanisms

are negotiated in calm, never in crisis. The third: alignment on vision and values must be maintained. Shaking hands at signing is not enough; dedicated moments are needed, away from day-to-day operations, to ask whether everyone is still heading in the same direction.

Delegating to a partner: clear boundaries, one voice

Delegation between partners is not a division of tasks: it is accepting that the other person will decide differently from how we would have decided. And respecting that, as long as it stays within the agreed boundaries. This is why boundaries must be explicit: who decides what, with which thresholds — of amount, of investment, of key hires — beyond which the decision returns to being collective.

There is also a rule I consider sacred: towards management and staff, one voice per area. The partner who is not responsible for an area does not override or publicly correct the partner who is. Every time it happens, it does not only weaken the colleague: it teaches the whole organisation that delegation does not really count.

And when the temptation comes to double-check what the other has done? I have learned to read it for what it is: a symptom, not a solution. Legitimate control between partners is control over results — periodic, based on the numbers, out in the open. Control over methods, exercised daily and silently, is corrosive: if I feel the need for it, the problem to address is trust, not my partner's method.

The people who work with us: delegating is an act of trust

If with a partner trust is a pact between equals, with the people who work for the company it is something the leader must give first. And here I touch a raw nerve shared by every founder, myself included: delegating is hard. The company is your creation, the knowledge sits in your head, and for years direct control was the guarantee of quality. The paradox is that the very thing that

brought the company into being — total control — is what, at a certain point, holds back its growth: the leader's time becomes the bottleneck for every decision.

I remember well my first real step into delegation. It was 2009, and the time had come to acquire CEG in San Mauro Pascoli. The tension was considerable: I was afraid of losing control, of not being able to delegate, of the situation slipping out of my hands. Then I told myself that if I wanted to grow, that was the only way forward. I had to be able to choose people who shared my own ethics and values, and build a management-control team strong enough to verify, precisely and regularly, how the company was performing. That choice led us to work towards clear, regularly checked objectives. And, in hindsight, it was the key that made possible a major phase of growth and every acquisition that followed.

Mine is not an isolated experience. Gallup, studying nearly fifteen hundred American entrepreneurs, found that 75% have a limited or low propensity to delegate; and that companies led by people who truly know how to delegate generated 33% higher revenues than the others, growing faster and creating more jobs. Delegation is not an organisational issue: it is a profit-and-loss issue.

Delegation that works, however, follows a precise grammar. You delegate results, not tasks: a task says what to do and produces people who execute; a result says what to achieve and produces people who take ownership. And it requires three clarities: the objective (what result, by when, measured how), the boundaries (budget, resources, non-negotiable limits) and the autonomy (what the person can decide alone and what requires discussion). To these I add the right to make mistakes: if every mistake is punished, people stop deciding and refer every choice back to the boss — and delegation empties itself out.

Responsibility is not imposed: it is generated

Stephen M.R. Covey, in *The Speed of Trust*, argues that trust is a measurable economic variable: when it rises, speed increases and costs fall; when it falls, everything slows down and every step requires checks, signatures, controls. This is my everyday experience: trust is not a "soft" value — it is an operating multiplier.

"People feel responsible for what has been entrusted to them, not for what they have been ordered to do."

Ownership is born when a person can say "this result is mine" — for better or worse. It is also the most powerful tool for professional growth I know: you learn by deciding, not by executing. The reverse holds too: trust given tends to be repaid, while systematic distrust produces exactly the behaviours it fears.

The same principle applies between partners. Being accountable for one's own choices is not a sign of distrust: it is respect. The partner who does not explain their decisions is asking for faith, not trust. And healthy partnerships are not the ones without conflict, but the ones with a method for handling it: disagree in private, decide together, publicly back the decision that was made — even the one we did not agree with.

The four mistakes I have learned to recognise

The first is micro-management: delegating the task but checking every single step. The implicit message is "I don't trust you", and the result is demotivation, dependency and the loss of your best people. The second is delegation-as-abandonment: confusing delegation with walking away. A "you handle it" with no objectives, no boundaries and no willingness to discuss is not

trust: it is the leader shirking responsibility. Real delegation includes agreed check-in points.

The third mistake is taking delegation back at the first mistake: it is the fastest way to destroy the trust that has been built, because it teaches everyone that the delegation was never real. A mistake made within the agreed boundaries, if not repeated, should be treated as a learning cost — different is the case of a breach of loyalty, which, between partners as much as with employees, damages trust in a way that is often irreversible. The fourth, finally, is delegating only what we don't enjoy doing: delegation becomes credible when it also includes important, visible work.

In conclusion

Trust, delegation and responsibility are not three separate themes: they are three moments of the same gesture. Trust is the premise, delegation is the form through which trust is exercised, responsibility is what trust generates when it is well placed. With a partner, this gesture must be made mutual and protected by rules written in good times. With the people who work for the company, it must be extended first, with clarity about results and tolerance for honest mistakes.

A company, in the end, is exactly this: a system of organised trust. And the job of whoever leads it is not to control everything, but to build the conditions that make control less and less necessary.

REFERENCES

- N. Wasserman, *The Founder's Dilemmas*, Princeton University Press, 2012.
- R.C. Mayer, J.H. Davis, F.D. Schoorman, «An Integrative Model of Organizational Trust», *Academy of Management Review*, vol. 20, no. 3, 1995.
- F. Frei, A. Morriss, «Begin with Trust», *Harvard Business Review*, May-June 2020.
- S.M.R. Covey, *The Speed of Trust*, Free Press, 2006.
- S. Badal, B. Ott, «Delegating: A Huge Management Challenge for Entrepreneurs», *Gallup Business Journal*, 2015.
- D. Grayson Riegel, «8 Ways Leaders Delegate Successfully», *Harvard Business Review*, August 2019.

Armando Donazzan

President, Orange1 Holding