Stop Calling Yourself "CEO"

Idea In Short

Founders often call themselves "CEO" when, in legal and practical terms, they function as Managing Directors. A CEO is the strategic leader at the top of a corporate hierarchy, while a Managing Director is usually the formally appointed leader of a specific company or unit with concrete responsibilities. Different company types and stages make different titles more appropriate, and misusing them can confuse your audience, weaken trust, and quietly damage your credibility as a leader.

Titles as shorthand for structure and responsibility.

If you spend time around startups, you'll hear many people introduce themselves as "CEO" even when they are the only person in the company. On paper and in practice, they are often closer to a Managing Director or a founder running everything themselves. At first glance this feels harmless, like choosing a cooler word.

In reality, though, titles are shorthand for how your company is structured, how decisions are made, and what you are really responsible for.

When your title doesn't match that reality, you don't just sound inflated; you risk confusing investors, misleading partners, and making your own team unsure who does what. Choosing the right title is a small, but powerful way to show maturity about governance, responsibility, and growth, and to avoid subtle credibility damage.

The Managing Director

In many company forms, such as limited companies, subsidiaries, regional entities, or business units, the Managing Director is the person formally appointed to run the company's day-to-day affairs. This role is usually anchored in law or in official governance documents, and it carries clearly defined duties.

You can think of the Managing Director as the captain of a specific ship. They make sure the ship operates safely, follows regulations, pays its bills, and reaches its destination, and they are answerable if something goes wrong. Their focus is on one company or one business unit, and their responsibility covers operations, compliance, financial health, and the implementation of strategy approved by owners or a board. In many small to mid-sized companies, in subsidiaries of larger groups, and in professional services firms, such as consultancies or agencies, the title Managing Director or Managing Partner accurately reflects this combination of operational responsibility and formal accountability.

Avoiding the Managing Director label when it actually describes your role carries its own risks. Regulators, banks, and other formal stakeholders may be unsure who is truly responsible if everyone only talks about "the CEO". Business partners may overestimate your structure and assume you have a corporate hierarchy behind you, when in reality, you are a lean operation. Most dangerously, you yourself may underestimate your obligations!

If you think of yourself mainly as a visionary CEO, it becomes easy to neglect the unglamorous, albeit crucial duties around compliance, reporting, and risk management. Downplaying your Managing Director role can lead to gaps exactly where you cannot afford them.

The CEO

By contrast, CEO – Chief Executive Officer – is a corporate title for the highest-ranking executive responsible for the overall direction and performance of an organization. It is less about the legal form of the entity and more about your position at the top of a structured executive team.

A useful image is the head coach of a major sports team. The CEO defines the game plan, chooses the key players, owns the results, and answers to the owners or board, while others handle the details in their functional areas.

A CEO typically sits above other C-level roles, such as CFO, CTO, or COO, focuses on vision, culture, major deals, and investor relations, and serves as the public face of the company. This title fits best in larger organizations with a real executive team and an active board, in scale-ups and growth-stage startups that already have multiple senior leaders, and in corporate groups where a group CEO oversees several subsidiaries, each with their own

local leadership.

Overusing the CEO label creates its own set of problems. Experienced investors can usually tell when "CEO" really means "solo founder doing everything", and they may quietly question your realism and self-awareness. Employees may be confused when grand titles coexist with the chaos of a very small, improvisational setup; if there is a CEO, a CTO, and a CMO on paper, but no clear lines of responsibility, people struggle to understand who does what and who is accountable for which decisions. Business partners may feel misled if they expect a certain level of structure and discover that behind the impressive titles is a tiny, loosely organized team. In short, calling yourself CEO sets expectations about scale and maturity; when those expectations are not met, your credibility suffers.

Matching titles to company stage and type

Early and small companies

Titles should evolve with the stage and structure of the company. In a solo founder or very small setup of just a few people, you typically do almost everything yourself, from sales and product to operations and finance. In that context, "Founder", "Managing Director", or "Founder & Managing Director" often describe your reality far better than "CEO". Using a CEO title here can easily look like costume-playing a big corporation and may make experienced investors question how grounded you are.

Growing startups and scale-ups

In an early-stage startup with a small team and perhaps some funding, you might still be deeply involved in most functions, but the beginnings of a leadership group appear, with roles, such as Head of Product or Head of Engineering. Here, "Founder & CEO" can make sense if you clearly play the strategic leadership role, but "Managing Director" may remain the more accurate title in formal or legal contexts, and using both ("CEO and Managing Director") can bridge the gap between internal reality and external perception. As you grow into a scale-up, your work shifts away from daily operations toward strategy, fundraising, partnerships, and building the leadership team. At this point, CEO becomes a natural and accurate description of your role, even if you still formally act as a Managing Director behind the scenes.

Large groups and professional firms

In large corporations or groups, a group CEO may sit at the top while Managing Directors or regional CEOs run specific regions, divisions, or subsidiaries. In that structure, the CEO title signals responsibility for the entire portfolio, while Managing Director describes leadership of a particular entity or unit. Professional services firms, such as consulting, law, or marketing agencies, often favour Managing Director or Managing Partner to stress operational and client responsibility, introducing a CEO title only once they reach significant size and corporate-like structures. In all of these setups, mislabeling roles blurs who leads what and can create friction whenever important decisions or signatures are needed.

Analogy: Fleet admiral vs ship captain

An analogy from shipping helps make the relationship clear. Imagine a large fleet of ships. Each individual ship has a captain who leads that vessel's crew, keeps it compliant with regulations, and is accountable for its performance. That captain is like the Managing Director: leader of one concrete entity. The entire fleet, however, has a fleet admiral who decides where the fleet goes, which ships to build or retire, and how resources are allocated across the whole group. That admiral is like the CEO: leader of the entire organization.

In a tiny fleet with just one ship, one person might be both captain and "fleet admiral". In a large fleet, those roles are clearly separated. If every captain started calling themselves admiral, the navy would quickly become unmanageable and nobody would know who truly commands the fleet. Your company works the same way: one person can wear both hats, but if you mislabel the hat, you confuse everyone watching you steer.

Wrong titles confuse

The dangers of using the wrong title are not abstract. Misusing titles confuses investors and business partners, who rely on roles as a quick mental map of your structure and maturity. When a pitch deck shows a row of C-level titles, but the underlying company is three people without clear responsibilities, sophisticated investors read that as a sign of inexperience. Internally, misaligned titles distort expectations. Team members may assume a level of process and stability that does not exist yet and become frustrated when the reality does not match the corporate façade. Your authority can also be undermined: when your title promises big-picture strategic leadership, but your day-to-day behaviour is purely operational and reactive, people stop taking the title seriously and, sometimes, stop taking you seriously.

In more formal or regulated contexts, such as banking or legal negotiations, hiding the Managing Director function behind a CEO label can erode trust because counterparts need to know who is actually responsible. If they sense that titles are being used more for show than for clarity, they may worry that other aspects of the business are also more style than substance. Ultimately, when titles are chosen to impress rather than to describe reality, they send a strong signal that image matters more than substance, and that is a red flag for serious stakeholders. An impressive title can open a door once; a mismatched title can quietly close many doors over time.

Pressure-test your title

This is why it is useful to pressure-test your chosen title against a few simple questions, even if you do this informally. Ask yourself what entity you actually lead and whether it is one specific legal company or a whole group of entities. Reflect on whether you truly have an executive team with distinct C-level roles reporting to you, or whether you are still the operational centre of everything. Consider who your main audience is: investors and global partners often expect to see a CEO when there is a genuine strategic leadership role, while regulators, banks, lawyers, and boards will care more about who is the Managing Director. Think about the expectations your title creates and whether you can meet them consistently in how you act and how your organization is structured. Most importantly, be honest about whether you are using your title to describe reality or to inflate perception. A modest, precise title builds more trust than an exaggerated one that falls apart under basic scrutiny.

Summary

CEO and Managing Director are not interchangeable vanity labels; they describe different aspects of leadership. A Managing Director is the hands-on, formally appointed leader of a specific company or unit, accountable for operations, compliance, and execution. A CEO is the top strategic leader in a structured executive hierarchy, often across multiple entities, focused on vision, growth, and leading other executives. When your title matches your company's reality and your actual responsibilities, you send a clear signal of clarity, maturity, and genuine leadership. When it does not, you invite confusion, disappointment, and distrust. Choosing the right title is therefore not about ego; it is about alignment between who you say you are and what you actually do.