Concurrent Session: Sales & Recruiting Track

Getting the ‘Who’ Right: Building a Team of ‘A’ Players

- Randy Street, President, ghSMART
Give Us Immediate Feedback

Concurrent Session: Sales & Recruiting Track

Getting the ‘Who’ Right: Building a Team of ‘A’ Players

Please grade your satisfaction with this session on a scale from A (highest) to F (lowest) by texting your grade to #22333.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>F</td>
</tr>
<tr>
<td>294137</td>
<td>294138</td>
<td>294139</td>
<td>294140</td>
<td>294141</td>
</tr>
</tbody>
</table>
Getting the ‘Who’ Right

Building a Team of A Players

10/16/12

Randy Street
Who Matters

“The most important decisions that business people make are not ‘what’ decisions, but ‘who’ decisions.”

Jim Collins author of Good to Great
Who Problems
Cost of Mishires

- **50% of all hiring decisions are mistakes** according to management guru Peter Drucker and others.

- The average hiring mistake **costs a company 15x** that person’s base salary.
  - Hard Costs: Recruitment, compensation & benefits, severance
  - Soft Costs: Mistakes, missed opportunities, disruption, management time

- Mishiring a $100K employee will cost you **$1.5 million** on average.

- Symptoms of hiring mistakes include:
  - Not being able to rely on your team
  - Being too busy
  - Feeling a lot of stress
  - Being tired
Ineffective Hiring Methods

- The Art Critic
- The Animal Lover
- The Trickster
- The Chatterbox
- The Sponge
- The Prosecutor
- The Tester
- The Fortune Teller
- The Suitor
IRR by Assessment Methodology

Median Deal IRR by Assessment Approach

- Airline Captain: 80%
- Art Critic: 25%
- Sponge: 20%
- Prosecutor: 10%
What is an Airline Captain?

• Someone who uses a check-list to ensure he or she follows the same process every time.

• Someone who evaluates data against the checklist, not gut feel. *(Captains who rely on their gut crash).*

• Someone who respects the aircraft (business). Captains never allow themselves to become complacent.
The A Method for Hiring

SOURCE

SELECT

SCORECARD

SELL
Scorecard

-scorecard-

- Mission
- Outcomes
- Competencies
Scorecard: Which One, Coach?

Option 1 - Job Description

- Fast, strong swimmer
- Experienced with all strokes
- Competitive
- Team player

Option 2 - Scorecard

- Win three or more gold medals in the Olympics across four or more strokes
- Break world and Olympic records in at least 60% of races
- Win and break records when swimming for team events
Scorecard: Marketing Manager

**Mission:**
- Support direct sales force goal of growing revenue through effective marketing materials and campaigns.

**Outcomes:**
- Develop 12 month marketing plan to achieve revenue goals within budget of $500K. Obtain VP Sales and Executive Team approval within 90 days of start.
- Launch campaigns to drive new customer leads from current 10 per month to 30 per month within 9 months.

**Competencies (Job related and cultural):**
- Proactive, analytical, hard working, influential, teamwork
- Fast-paced, engineering-centric, fact-driven, results-oriented
Source

SCORECARD

• Mission
• Outcomes
• Competencies

• Referrals
• Recruiters
• Researchers
The Who Interview

For each job in the last 15+ years, ask:

1. What were you hired to do?
2. What accomplishments were you most proud of?
3. What were some low points during that job?
4. Who did you work with?
5. Why did you leave that job?
Select: Analysis

Map data from Top grading Interview...

- Built four marketing programs that resulted in revenue growth of 15%.
- Ran seven lead generation campaigns that generated 10x more leads over baseline.
- Clearly proactive and hard-working.
- Not particularly analytical.
- Etc.

Onto Scorecard

RATING & COMMENTS

Mission:
- Support direct sales force goal of growing revenue through effective marketing materials and campaigns. A-

Outcomes:
- Develop 12 month marketing plan to achieve revenue goals within budget of $500K. Obtain VP Sales and Executive Team approval within 90 days of start. A-
- Launch campaigns to drive new customer leads from current 10 per month to 30 per month within 9 months. B+

Competencies (Job related and cultural):
- Proactive, analytical, hard working, influential, teamwork A-
- Fast-paced, engineering-centric, fact-driven, results-oriented A
Tips and Tricks

1. Avoid common hiring mistakes.

2. Don’t be fooled by the resume.

3. Build rapport.

4. Use the 3Ps – past performance, peers, and plan – to calibrate answers.


6. Use silence to your advantage.


8. Look for push/pull between jobs.


10. Trust your gut when it says “no.” When it says “yes,” do more diligence.
Sell

SCORECARD

• Referrals
• Recruiters
• Researchers

• Screening Interview
• Who Interview™
• Focused Interview
• Reference Interview

• Mission
• Outcomes
• Competencies

SELL

• 5Fs of Selling
Summary

1. First who… then what. Get the right people on the bus and in the right seats. It is the most important leadership decision you can make.

2. The *who* really matters. It is your biggest value lever.

3. Hiring A Players has a tremendous ROI.

4. Use the A Method for Hiring to behave like an Airline Captain. Improve your people success rate from 50% to 90%.

5. Do it always – whether you are investing, restructuring, making strategy changes, promoting people, doing an M&A deal, or just conducting day to day business.
You can do it!
Appendix – About ghSMART

• Founded in 1995, ghSMART is the leading management assessment and organizational development firm serving boards and CEOs of Fortune 500 corporations and major private equity firms.

• Our mission is to use our expertise in human behavior to help CEOs and investors build valuable companies through hiring, developing, and keeping top talent.

• We have conducted over 15,000 executive assessments, trained over 30,000 managers, and helped hundreds of executives through coaching engagements in the past 17 years.


• ghSMART arms CEOs, boards, and investors with rigorous tools for analyzing and maximizing performance of senior leaders. We enable our clients to apply to management the same rigor and fact-based approach that they deploy in other aspects of creating value (e.g., finance, technology, operations etc.).
Appendix – About *Who*


- Describes a simple, 4-step method for hiring the right people with a 90% success rate.

- Is based on the most extensive research, interviews, and experience ever assembled on the topic of talent management.
  - ghSMART experience serving hundreds of clients.
  - Extensive interviews with over 80 CEOs, billionaires, investors, and business leaders including Jamie Dimon, Wayne Huizenga, and General Wesley Clark.
  - Original research by the University of Chicago on traits predictive of CEO success based on analysis of over 300 ghSMART evaluation reports.
Randy Street

Randy Street is the President of ghSMART.

Randy has served as a leadership advisor to boards, CEOs, and executive teams for over 15 years. He is also a popular keynote speaker with a dynamic and energetic style that routinely generates the highest audience Satisfaction scores possible.

In collaboration with Geoff Smart, the firm’s CEO, Randy co-authored Who: The A Method for Hiring (Random House, 2008), which is a New York Times, Wall Street Journal, BusinessWeek, USA Today, and Publisher’s Weekly best seller. He has been featured in The Wall Street Journal, BusinessWeek, and other leading publications, and has appeared on leading television programs such as Fox Business News with Neil Cavuto.

Upon release, the book became the #1 ranked bestseller on Amazon.com out of 24 million titles, and hit every major bestseller list in the United States. Soundview Executive Book Summaries gave Who the “Best 30 Business Books Award,” Shanghai Daily named it a “Top 5 Best Business Book in China,” and Canada’s Globe and Mail named Who the “#1 Best Business and Management Book of 2009.”

Prior to joining ghSMART, Randy was the EVP of Sales & Marketing and EVP of Corporate Development & Strategy for a software firm that was named the fastest growing company in Atlanta during his tenure. Before that, Randy was a strategy consultant with Bain & Company where he led projects and advised senior executives of Global 1000 companies in a wide range of industries.

Randy earned his MBA from Harvard Business School and a B.S. in Mechanical Engineering from Rice University. He lives in Atlanta, Georgia, with his wife and three children.

Randy can be contacted at (404) 995-7006 or rhstreet@ghsmart.com.
Concurrent Session: Sales & Recruiting Track

Getting the ‘Who’ Right: Building a Team of ‘A’ Players

Please grade your satisfaction with this session on a scale from A (highest) to F (lowest) by texting your grade to #22333.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>294137</td>
<td>294138</td>
<td>294139</td>
<td>294140</td>
<td>294141</td>
</tr>
</tbody>
</table>