

How do you prevent a bad hire?

What is the most important duty of a CEO? [Bob Prosen](#), author of *[Kiss Theory Good Bye](#)*, says “Hiring people smarter than I am and putting them in the right positions!!!!” I have to agree, but creating roles and filling them with people who can play to their strengths in those positions isn’t an easy task.

Last week I did a presentation to my [E0](#) chapter on my company’s hiring process, which is built around the [Topgrading](#) methodology. It’s hard to express how important this is to us, because we put so much time and effort into taking what we’ve learned from books, speakers, and even bad hires to create something that really works for us. Our process is 13 steps, and has shown us a high success rate of getting the right people in the right places, in turn saving us money. For example, research shows that if you hire someone at 6 figures, and they turn out to be a bad hire (within what amount of time? A year? 6 months?) it can cost you as much as 1.5M in lost productivity and opportunity cost. This is reason enough alone to work harder to get it right the first time, and not just relying on your gut and a resume to make a decision on hiring someone.

In short, this is our process:

Complete	Step	Description
<input type="checkbox"/>	Step #1	Create a Scorecard/Job Description
<input type="checkbox"/>	Step #2	Perform Prescreen Interview
<input type="checkbox"/>	Step #3	Require an Application
<input type="checkbox"/>	Step #4	Skills Test (Candidate)
<input type="checkbox"/>	Step #5	Signed Reference Release (Candidate)
<input type="checkbox"/>	Step #6	Discuss your Company Culture
<input type="checkbox"/>	Step #7	Conduct a CIDS (Chronological In-Depth Structured) Interview
<input type="checkbox"/>	Step #8	Perform a Reference Check
<input type="checkbox"/>	Step #9	Personality/Strengths Test (Candidate)
<input type="checkbox"/>	Step #10	Background Check & Drug Test (Candidate)
<input type="checkbox"/>	Step #11	One Page Action Plan (Candidate)
<input type="checkbox"/>	Step #12	Have Dinner
<input type="checkbox"/>	Step #13	Provide an Offer Letter

This isn't something that happens in a day, or even a week. I and a few others on the team spend an extensive amount of time with each candidate throughout the screening process, getting to know their background, their work experience and their personality. We hone in on their natural strengths, and match them up to the needs of the company and the position. From another perspective, this also ensures that things they are not good at are not key aspects of the position.

Having a defined process and checklist in place for our hiring process is essential, but it is also extremely beneficial to other areas of business. Think of it this way, thousands of planes take off and land successfully every day. They manage this because they have a checklist to make sure they aren't missing anything. We don't want to miss one thing on our checklist, because that one thing could lead to making the wrong hire.