

Business Regret: What's it All About?



If you listen to any of the successful leaders in business out there, you will hear them say over and over that it is about the people. In other words, to have a successful business, you must have the right people and they must be in the right positions, playing to their strengths. Then everything will be good.

Okay, sounds good, so let's go get the right people and everything else will be great. Then we will not need to keep the wrong people and instead, we will need to grow those that have potential. The problem with all this is that we are talking about people and when we do that, we have a lot of other factors that get in the way. Emotions are the big one, but also best intentions. You want to see the best in people, and you want to help others. These all have an influence in working to get the right team in place.

I have experienced this repeatedly, and have felt it in my gut when I knew I had the wrong person in the wrong seat and, given whatever circumstances, don't make a change right away. I was reminded of this by a recent blog that was written by my friend, Stephen Lynch. Stephen has written a book, Business Execution for Results, that is a great step-by-step for getting the strategic plan, the alignment, the key decisions and the execution all down, so your business is spinning like a top.

The blog he sent me was called "The #1 Regret of Business Owners." And guess what that one regret is? Hiring mistakes!

As we just discussed, it's all about the people. Stephen says that sometimes it is good performers who don't fit into your culture. Other times, it is taking too much time to fix performance issues with someone that fits in, but is not achieving the desired result. Then there are the times we just hire the first person with a pulse to get it out of the way.

There is no perfect way to find people because, as we said, we are dealing with the complexity of humans and boy oh boy, can we be filled with intricacies. At Efficiency, we have had success with process called Topgrading. It has helped us find good people, but sometimes we just have had them in the wrong seats. It may take some learning, as we have experienced, but we finally found two technical project managers that are knocking it out of the park! Thank you Chris and Sarah for great results in getting our projects done and making our clients happy!

Peter Drucker, in his very interesting book, Post-Capitalist Society, tells us why people are so important. The book is all about the societal transformation from capital, land and labor, to a knowledgeable society where individuals are central.

Drucker says, "Knowledge is not impersonal like money. Knowledge does not reside in a book, a database, a software program; they contain only information. Knowledge is always embodied in a person; carried by a person; created, augmented, or improved by a person; applied by a person; taught and passed on by a person; used or misused by a person. The shift to a knowledge society therefore puts the person in the center."

We can see with this explanation from Drucker how important our people are, and getting the right ones on board and in the right seat is job number one for any leader! Do you have the right people sitting in the right seats?

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 [EO](#) 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.