

How to Keep Your Company

DRIVING AND THRIVING IN A FAST-PACED, COMPETITIVE BUSINESS WORLD

BRENT R. TILSON

**GO SLOW TO
GROW FAST**

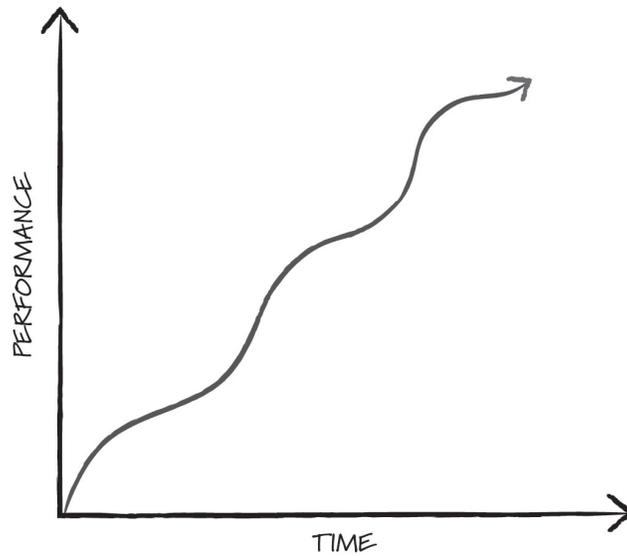


ForbesBooks

AUDIOBOOK COMPANION

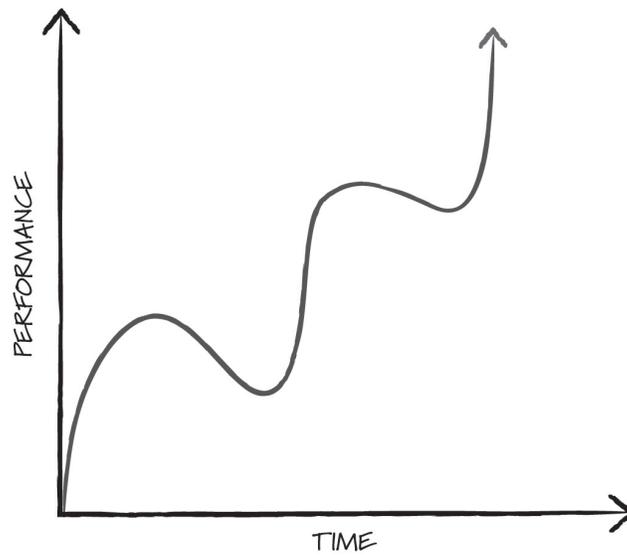
pg. 15 at 15:15

Performance and Time



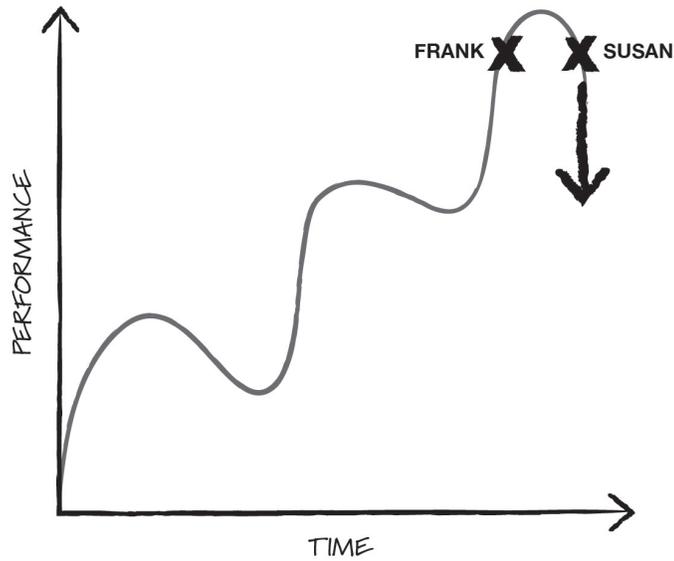
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Performance and Time



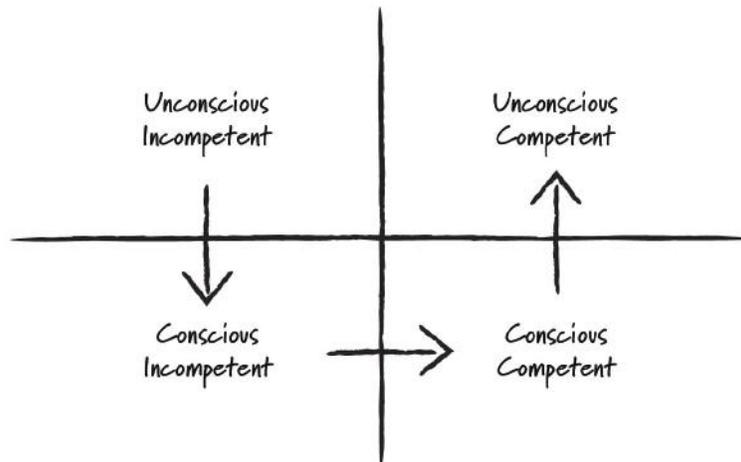
pg. 22 at 0:54

Performance and Time



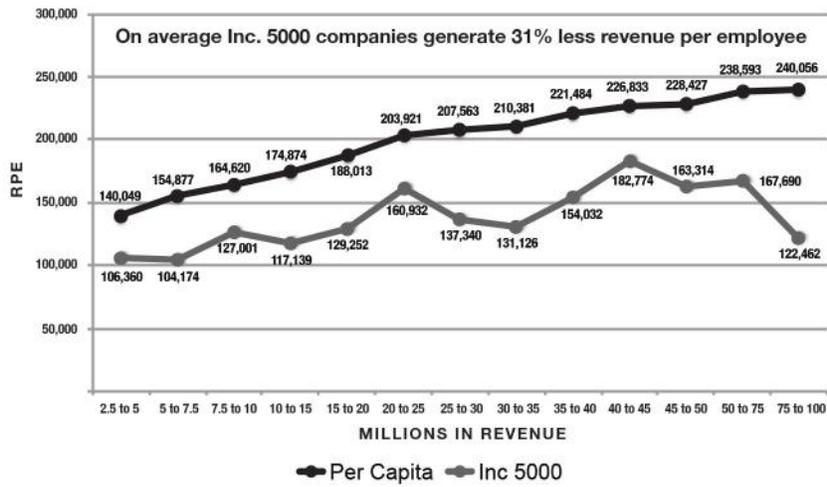
pg. 25 at 5:21

Stages of Competence



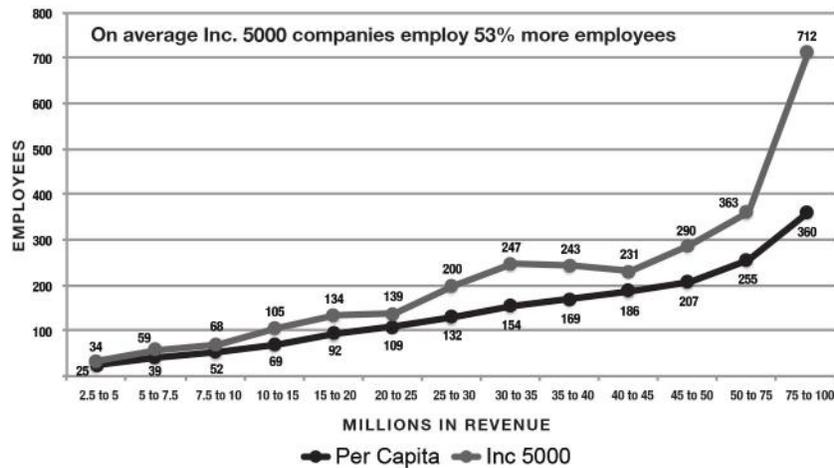
pg. 29 and 30 at 12:15

Average Revenue Per Employee



Forty.com—Inside the Inc. 5000: what it takes to be a high growth company—from the 2011 list

Average Employee Counts

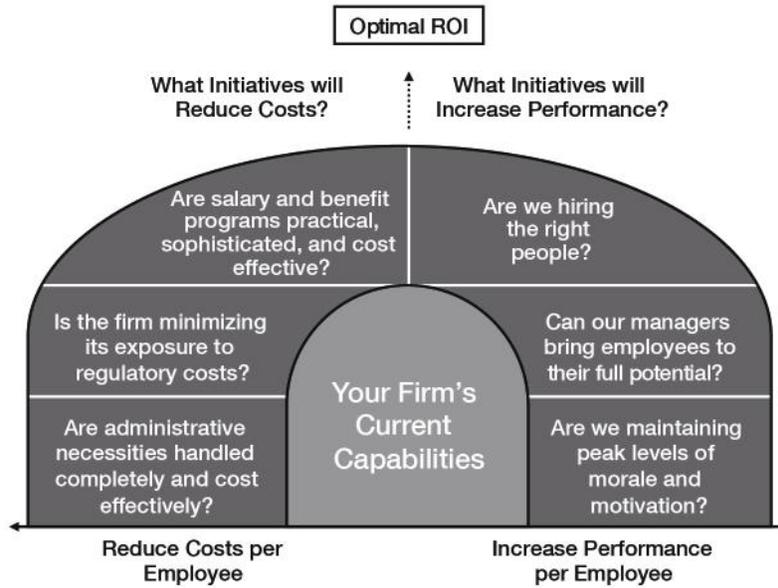


Forty.com—Inside the Inc. 5000: what it takes to be a high growth company—from the 2011 list

pg. 38 at 7:15

HOW EFFECTIVE ARE YOUR PERFORMANCE MANAGEMENT PRACTICES?	
The Critical Components of an Effective Performance Management Plan	Rate Current Level of Effectiveness on a 1-5 Scale
1. Giving tough, but necessary performance messages	1 2 3 4 5
2. Giving constructive feedback on a consistent basis	1 2 3 4 5
3. Giving stretch, but achievable goals	1 2 3 4 5
4. Breaking down goals into daily or weekly work plans	1 2 3 4 5
5. Handling difficult, but well-performing workers	1 2 3 4 5
6. Documenting poor performance	1 2 3 4 5
7. Capturing developmental insights	1 2 3 4 5
8. Following procedures on time	1 2 3 4 5
9. Separating "true" performance from personality	1 2 3 4 5
10. Encouraging employee involvement in performance improvement	1 2 3 4 5
Overall Level of Effectiveness:	10-20 20-35 35-50

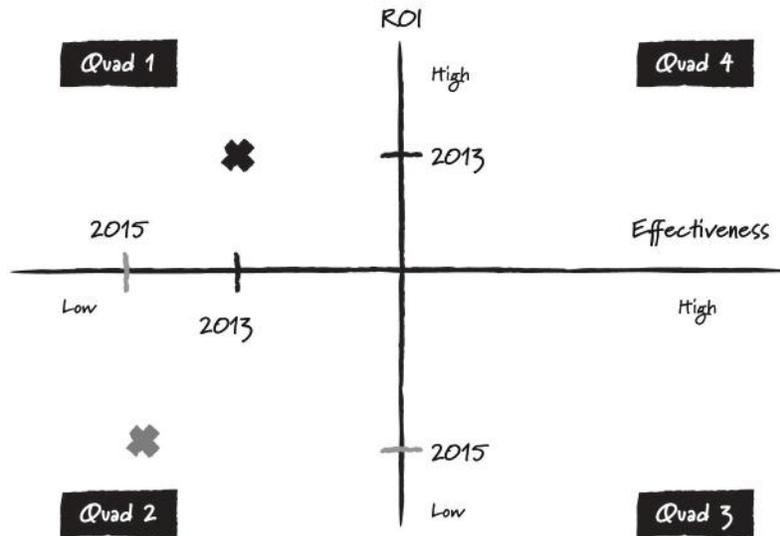
pg. 49 at 22:34



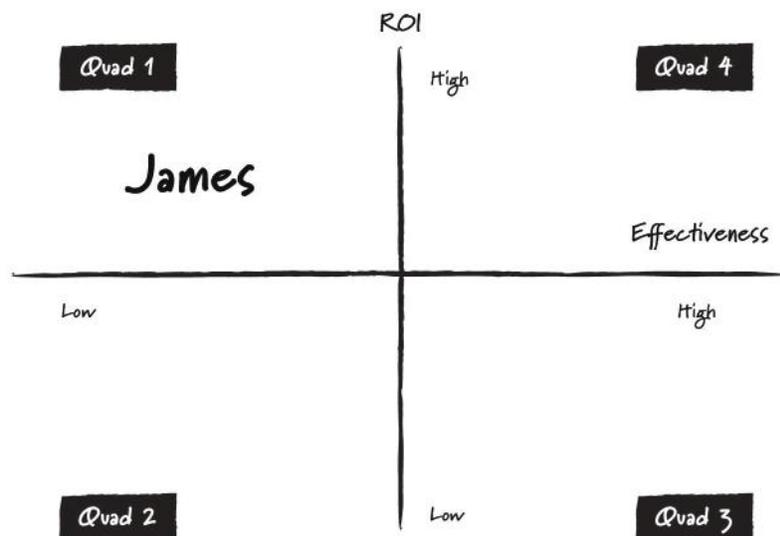
pg. 57 at 6:39

	TWO YEARS PRIOR	PRIOR YEAR	MOST RECENT YEAR
Growth rate	32%	35%	36%
Office space	7,000 sq ft	15,000 sq ft	20,000 sq ft
Number of managers/supervisors	4	6	10
Layers of management	2	2	4
Number of employees	35	52	80
Employee turnover	5%	11%	13%
Employee average tenure	8.7 years	4.5 years	2.8 years
Client retention	91%	88%	84%

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pg. 64 at 18:43

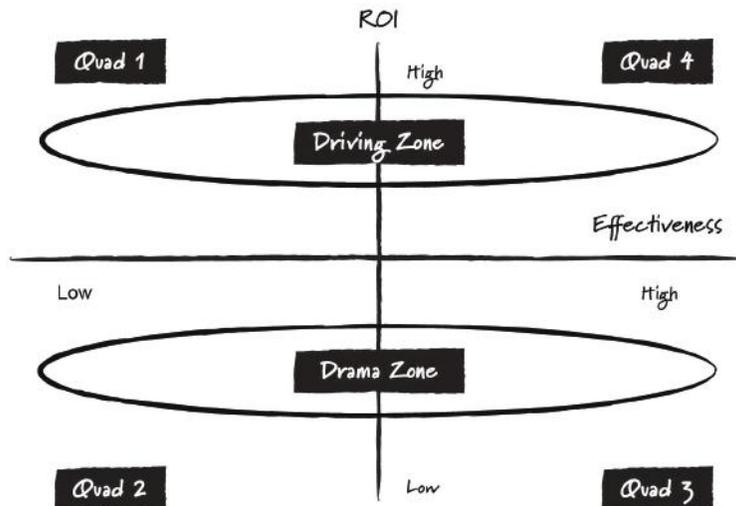


pg. 67 at 22:14

	IT/ OPERATION SYSTEMS	PERSONNEL MANAGE- MENT	BUSINESS PLANNING	FINANCIAL FOCUS	OPERA- TIONAL FOCUS	DASHBOARD
QUAD 1	Disparate	Ad hoc	Little to none	Profits	Spend as little as possible	None
QUAD 2	Disparate	Ad hoc	Little to none	Cash flow	Focus on problem solving	None
QUAD 3	Partially integrated	Basic processes	At least annually	Long term	Investing in systems and people	Basic
QUAD 4	Integrated	Compre- hensive HR management	Ongoing	Focus on increasing ROI and RPE	Self-learning and improving organization	Compre- hensive

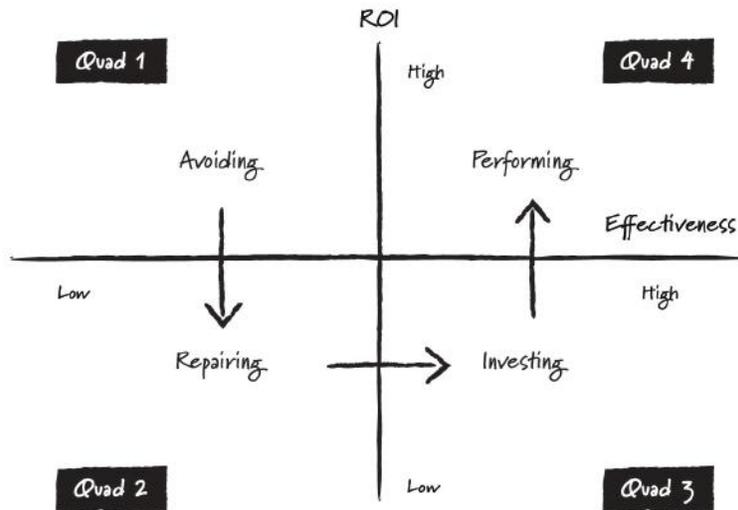
pg. 68 at 23:34

Paradox between Lifeline and Quad 4 Matrix



pg. 71 at 28:13

Getting to Quad 4



pg. 76 at 0:57

	YEAR 1	YEAR 2	CHANGE
Gross Profit	\$10 million	\$10.1 million	1%
Expenses	\$9 million	\$9 million	—
Net Profit	\$1 million	\$1.1 million	10%

pg. 77 at 1:37

	YEAR 1	YEAR 2	CHANGE
Gross Profit	\$10 million	\$11 million	10%
Expenses	\$9 million	\$9 million	—
Net Profit	\$1 million	\$2 million	100%

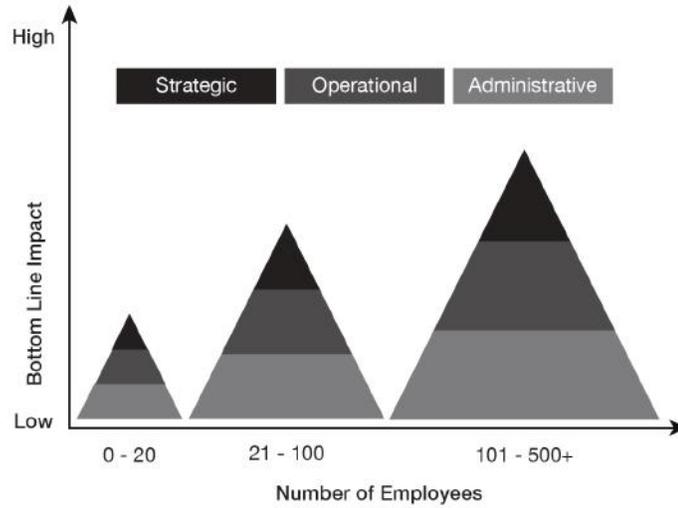
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HR Has Three Distinct Activities



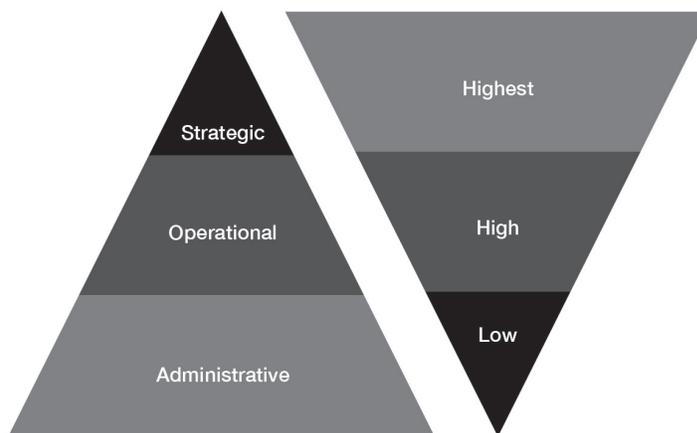
pg. 82 at 11:23

As Companies Grow, Their HR Needs Evolve



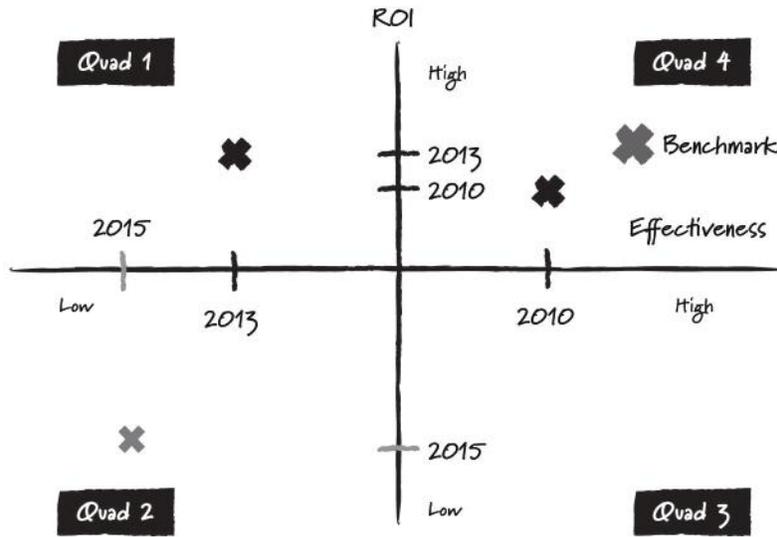
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HR Activities and Their Bottom Line



Impact is Inversely Related

pg. 105 at 12:23



pg. 107 at 15:19

Systems	Integrated	Scaleable	Continuously Improved	Critical to Business	Market Differentiation
Accounting					
Information Technology					
Core HR					

pg. 108 at 17:03

Systems	Integrated	Scaleable	Continuously Improved	Critical to Business	Market Differentiation
Accounting	No	No	No	Yes	No
Information Technology					
Core HR					

pg. 109 at 18:25

Systems	Integrated	Scaleable	Continuously Improved	Critical to Business	Market Differentiation
Accounting	No	No	No	Yes	No
Information Technology					
Core HR	No	No	No	Yes	No

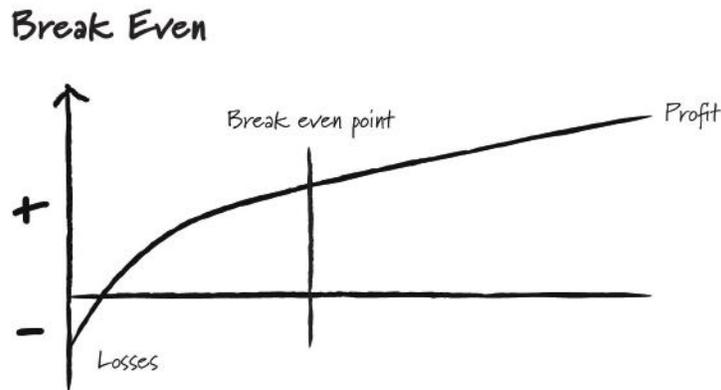
pg. 110 at 19:46

Systems	Integrated	Scaleable	Continuously Improved	Critical to Business	Market Differentiation
Accounting	No	No	No	Yes	No
Information Technology	Yes	Yes	Yes	Yes	No
Core HR	No	No	No	Yes	No

pg. 115 at 27:48

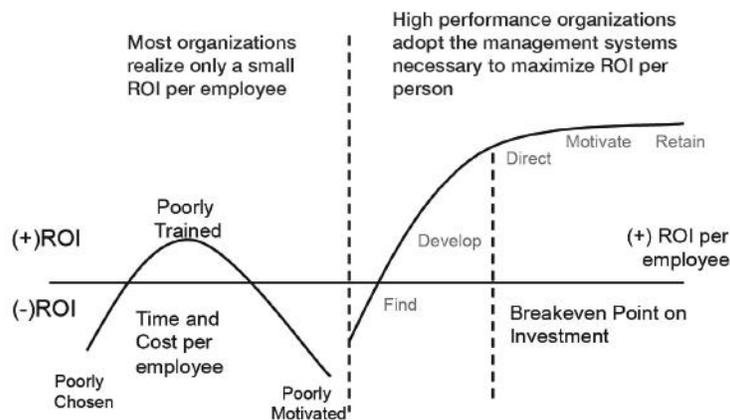
OPTIONS	ADVANTAGES	RISKS/THREATS
Do it yourself	<ul style="list-style-type: none"> • Full ownership • Determine destiny • Self-service 	<ul style="list-style-type: none"> • Not integrated • Self-service • Unnecessary complexity • Lose focus on core business • Not scalable • Competency risk • Loss of key person
Multiple vendors	<ul style="list-style-type: none"> • Specialized technology • Subject matter expertise 	<ul style="list-style-type: none"> • Not integrated • Service coordination • Unnecessary complexity • Lose focus on core business • Managing multiple providers • Not scalable
Outsourced managed solution	<ul style="list-style-type: none"> • Managed service platform • Scalable • Incremental professional support • Ongoing technology improvements • Transfer risks to provider • Mitigate/eliminate competency risk 	<ul style="list-style-type: none"> • Selection of wrong provider • Perceived loss of control • Potentially more expensive initially

pg. 125 at 9:40



pg. 130 at 17:26

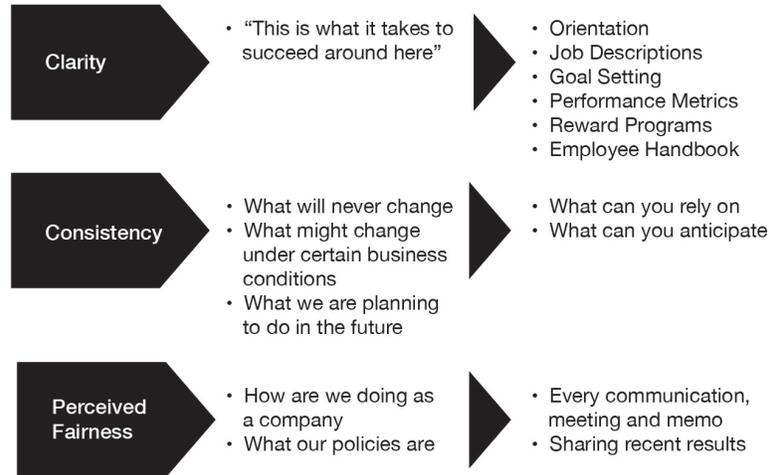
Implement Management Systems



Implementing management systems that increase your ability to hire the best and retain the best will position your company to outperform the competition.

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Positive Morale is Created Through:



pg. 138 at 29:45

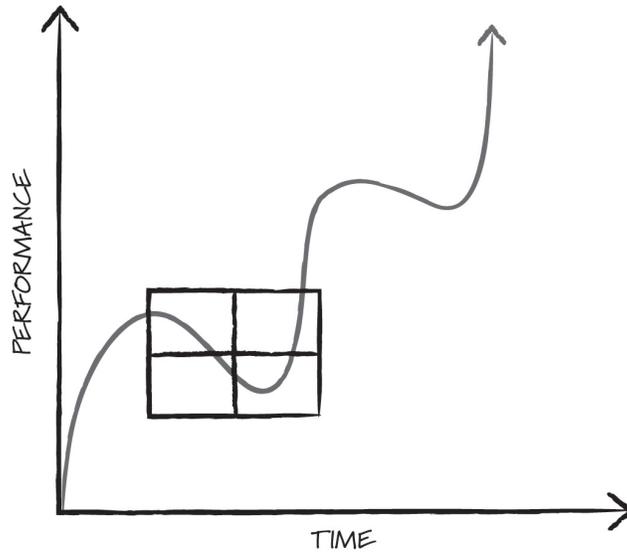
Morale and Motivation

Reality: while morale and motivation are not the same, they are mutually reinforcing aspects of a high performance organization

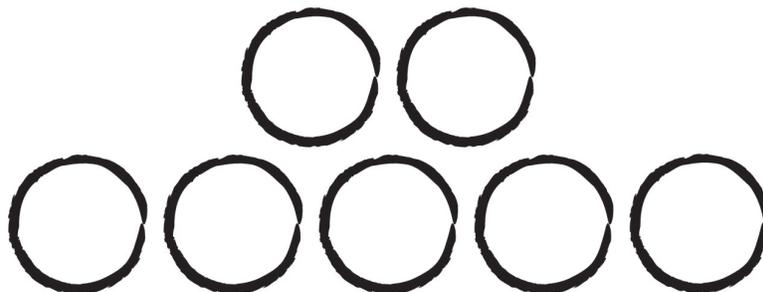


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Performance and Time



pg. 145 at 4:53



pg. 147 at 8:54

